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1 February 1983

USSR REPORT

USA: ECONOMICS, POLITICS, IDEOLOGY

No. 10, October 1982

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EUROPE CALLED ON TO HELP AVERT NUCLEAR WAR

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 82 (signed to press 20 Sep 82) pp 3-6

[Article by G. A. Arbatov: "The Main Political Issue"]

[Text] Various views are naturally being expressed in the West about the current international situation. One of them is that the two "superpowers"--that is, both the United States and the Soviet Union--are responsible for the increased tension and intensified threat of war while everyone else can only look on at their policy with dismay and terror. During a recent discussion with experts from a number of Western European countries I had occasion to dispute these views, and in this article I would like to expand on some of my comments.

First of all, I told the people with whom I spoke, Europe is not a mere grain of wheat caught between two enormous millstones--the United States and the USSR. It is not an innocent bystander but an active participant; it is not the object but an important subject of the complex process by which the future of this continent and perhaps of the entire world is being shaped.

In this context, it would be impossible to ignore Western Europe's role and responsibility or its services. It would also be impossible to ignore its own burden of mistakes and sins. In particular, quite influential circles in Western Europe literally flew into a frenzy at one time in feigned hysterics about the "credibility of American nuclear guarantees," the European military balance and a number of other things. As a result, important problems of European security--the problem of medium-range nuclear weapons and the problem of disarmament in general--were caught in a labyrinth which is now even more complex than before.

Whatever the case, wherever Western Europe now directs its influence, toward good or evil, its increased strength and might are indisputable. Only the ignorant could regard it as some kind of "junior partner." Western Europe now produces goods and services worth 300 billion dollars a year [as published]--more than the United States--and exports 3 times as much. Nine countries in this region have already overtaken America in terms of per capita national income (and a tenth, France, is catching up). I am convinced that Western Europe (particularly now) has overtaken the United States in terms of political prestige and, I would say, political potential--that is, potential political influence. Of course, the United States has incomparably more nuclear weapons, but as yet no one has found

ways of using them that do not threaten suicide. At the same time, there are two nuclear powers in Western Europe. In the view of many experts, Europe, and not the United States, constitutes NATO's main strike force in terms of conventional arms and armed forces.

In summation, it can be said that Western Europe's strength, might and influence are very great. It is possible that it is still not fully aware of its new role in the world. But it cannot avoid this: This awareness is not dictated by someone's good wishes but by the interests of Europe's own security, self-preservation and survival. Obviously, none of this can be left to anyone else, and it seems to me that the Europeans are realizing this more and more.

The second and perhaps most important thing that I wanted to stress in my discussions with my Europeans colleagues is that the term "the two superpowers" must not be used too freely. The differences and disparities here are already too obvious. Let us begin with the chief disparity in the area of basic intentions and approaches to politics and international relations. The current U.S. Administration bases its approach on very simple premises--that the Soviet Union, socialism and the communists are the root and source of all unpleasantness and evil in the world and that their elimination will put everything in order. All policy is therefore subordinated to the objectives of the struggle against this "primordial evil." Economic, technological, ideological and political war has been declared against it and military preparations are being conducted on a broad front against it. Attempts are being made, by persuasion or force, to involve the allies in these matters, which essentially constitute a course aimed at totally unrestricted enmity and confrontation.

Soviet foreign policy has a completely different basis. In brief, major Soviet Party and government documents and statements say the following: Mankind today is facing serious threats and complex problems--the threat of nuclear war, the danger and expense of the arms race, the existence of many regional conflicts and crises as well as the energy, raw material, ecological and food crises and numerous other problems. We believe that their solution will require, as an absolute minimum, the renunciation of totally unrestricted enmity between states and, as far as possible, joint action and equal cooperation. This is what we have proposed and continue to propose to America, Western Europe, Japan and China alike--to the entire world and to all states.

"The earth is our home, our past, present and future, and there is no loftier or nobler task than to save our planet from the conflagration of nuclear war, preserve its beauty and augment its riches." Comrade L. I. Brezhnev addressed this humanitarian appeal to the entire world, and the Soviet proposals aimed at strengthening peace, ending the arms race and securing disarmament and cooperation correspond fully to this appeal. From Washington, unfortunately, we constantly hear completely different appeals.

How could it be possible to equate "the two superpowers" and to ignore the profound differences in their approaches to the main political issues?

I am not saying all this simply for the sake of establishing the facts. Quite often the reason for both the attacks on the USSR and the attempts to assign it "joint responsibility" with the United States for the current international

difficulties is not confusion or forgetfulness but definite ideological and political intentions. The time has come to reassess many values and to define specific political priorities, and the prevention of a nuclear catastrophe is paramount among these.

This danger is real. Furthermore, it has grown, and no one can calm himself with the hope that an unrestricted arms race, saber rattling and intoxication with military strength might not culminate in a great disaster. After all, this Neanderthal approach to international affairs by a number of powers has worked out all right so far!

When I encounter statements like this, I involuntarily remember the war, when I had occasion to read and sometimes hear eyewitness accounts of cases in which pilots of downed aircraft had fallen from a great altitude without a parachute and survived. Either their fall had been slowed by a blast of air caused by the explosion of their own aircraft which had hit the ground seconds before or the pilot himself fell onto a snow-covered hillside and slid down it for dozens or even hundreds of meters. But it would take a complete lunatic to decide on this basis that a person could simply jump to the ground from an aircraft in flight.

I believe that it would take almost the same kind of lunatic to believe that it would be possible to survive in the future under the conditions of a frenzied nuclear arms race on the grounds that we have been able to survive the first 37 years of this arms race.

In the first place, these years have been far from idyllic for the world as a whole. During these years, hundreds of military conflicts have broken out, blood has been shed, and strategic nuclear forces have been put in a state of increased readiness on repeated occasions. The world has come to the very brink of the abyss and has even peered over the edge more than once. It has been saved not only, and perhaps not so much, by universal wisdom as by good fortune. But, alas, fortune may not always be mankind's traveling companion.

Secondly, every successive year and, in particular, decade of the nuclear arms race will be more dangerous than the previous one. This is due to the incredible increase in the quantity of nuclear weapons, the improvement of their quality and the emergence of new systems which threaten to destabilize the world situation dramatically and make disarmament accords even more difficult.

This is also due to the fact that the continuing arms race will make the further proliferation of nuclear weapons in the world even more likely and will eventually make it inevitable.

This is particularly dangerous since, unfortunately, there are still many seats of tension and conflict situations in the world. Repeated reminders of this have been provided recently by events in the Middle East, the South Atlantic and southern Africa and by the Iraq-Iran war. With the proliferation of nuclear weapons, conflicts of this kind could rapidly develop into a disaster and make things which seem unthinkable to us today inevitable.

Not long ago, Comrade L. I. Brezhnev compared the present state of international affairs to a fork in the road. As we approach it, we must decide which way to go. And a great deal--essentially even the future of human civilization itself--will depend on this decision.

This decision must now be made by people as well as governments--by the millions and millions of people whose future and fate are in question. Judging by all indications, the broadest segments of the world public are realizing this. Does the antinuclear movement which developed in Europe and America in 1981 and 1982 not testify to this? This movement is unique both in terms of its scale and in terms of the speed of its growth and its breadth. Old and young, workers and physicians, businessmen and clergymen, well-known public figures and millions of ordinary people who were once referred to as "the silent majority" have joined forces in it.

But this majority is obviously no longer silent. And these people are not so simple. In fact, they have proved to be perhaps wiser and more farsighted than many governments and many experts.

The time for definitive assessments has not arrived as yet, of course, and various opinions can be expressed. One is that we have been witnessing an upsurge of a powerful but not very long-lived social movement whose participants will soon tire and that their opponents will find ways to placate their indignation without making any fundamental changes but merely pouring a few barrels of oil, as seamen once used to do, on the troubled waters surrounding the ship.

But there is also another view, and one which I personally consider equally valid. It is that we might be witnessing the start of a radical reappraisal of the realities of the nuclear age by enormous masses of people. The reason why this has occurred in precisely the last 2 years is a subject for special discussion. On the one hand, it is possible that quantity (the quantity of numerous things, including stockpiled nuclear weapons and the disappointed hope that something would finally be done in this area) has prompted a transition to a new kind of awareness in millions of people. On the other hand, President Reagan and his administration have helped by unmasking present-day militarism and the policy inherent in it and by exposing them in all their repulsive and terrifying nakedness (attempts are now being made to cover this nakedness and to improve its appearance somehow, but it will hardly be easy to make people forget quickly what they have heard American leaders say and seen them do in the last year and a half).

If this is indeed the case, a "quiet revolt" against nuclear war, nuclear weapons and militarism itself is probably beginning. This would be a natural and healthy reaction by people to the terrifying threat to their very existence as a civilization and perhaps even as a biological species.

If we are really witnessing this kind of beginning, however, we must not forget that this will necessarily be a very complex process since tasks with no precedent--just as their resolution has no precedent--have been placed on the agenda of history. On the contrary, all historical experience seems to testify to the futility of attempts to resolve these tasks: There have always been wars, people have always developed, improved and used weapons, and no attempts to put an end to this have ever been successful....

All of this is certainly true, but something else is also true: There is an absolute need to accomplish the unprecedented in order to avert the unprecedented. Mankind certainly cannot afford another failure in this area.

The people who understand this have very powerful opponents. They have long-standing traditions and customs on their side, as well as the age-old strength of approaches to problems and forms of thinking which have seemingly been tried and tested. To a great extent, they are also helped by the fact that they often appear to be surrounded by realists, whereas the supporters of disarmament seem to be people who have good intentions but are hopeless dreamers with their heads in the clouds. Technological progress--in this case, the emergence of weapons of mass destruction, primarily nuclear weapons--has overturned the world of conventional notions. What has been regarded as realism for thousands of years--reliance on force and weapons as a means of safeguarding security and guaranteeing survival--has become an empty illusion, and what has been a beautiful but pointless dream--a world without wars or weapons--has become a realistic way, and indeed the only way, to preserve civilization and ensure mankind's survival.

In the final analysis, this has always been the main political issue.

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REAGAN RECORD SEEN AS AUGURING ILL FOR 'START' TALKS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 82 (signed to press 20 Sep 82) pp 7-18

[Article by V. P. Abarenkov: "The United States and Arms Limitation"; passages rendered in all capital letters printed in boldface in source]

[Text] After being around for a year and a half, the current U.S. Administration has finally resumed the talks on the key issue of the present day--the limitation and reduction of strategic weapons. The fate of the world will depend largely on whether the USSR and the United States can reach an agreement in this area, a fair and honest agreement that does not restrict anyone's security. The Soviet Union believes that the current U.S. Administration's decision to resume the talks is a step in the right direction, but the main thing still lies ahead: An agreement must be reached so that the problem can be solved. The agreement on the need for talks is only a step along the road that must be traveled by the negotiating parties.

What are Washington's announced intentions and plans in connection with the strategic arms limitation and reduction talks? Is it likely to "forget" other talks on major problems engendered by the arms race which have been cut off or have reached an impasse through its fault? The answers to these questions will determine how realistic the hope of an end to the arms race in the near future, or perhaps not so near future, is.

These questions are of fundamental significance.

When the new Republican U.S. Administration took office, it immediately and openly resolved to return to the policy of the cold war era, based on attempts to attain superior military strength in relation to the USSR. "The United States must play the leading role in the coming decade of the 1980's," Secretary of State A. Haig once said.¹ An equally frank statement was made by E. Rostow, the man President Reagan appointed as director of the Arms Control and Disarmament Agency: "The United States, its allies and all other countries...must return to the policy of deterrence that was pursued from the time of the Truman era right up to the time of the U.S. withdrawal from Vietnam."²

These and numerous similar statements by other top-level members of the current American Administration reflected Washington's move toward open and direct confrontation between the United States and the USSR on the global and regional

levels. The White House issued a special directive envisaging "massive pressure" on the Soviet Union from all sides.

The primary objective was to be military-strategic superiority to the USSR and the disruption of the existing approximate balance of military strength between the USSR and the United States and between the Warsaw Pact and NATO.

For this purpose, the U.S. Administration conducted feverish activity to create a political climate in which the "new" U.S. line in world politics could be justified and secured more easily. The process began with an attack on detente. "If the move from cold war to detente is progress," said U.S. Secretary of Defense C. Weinberger, "we cannot afford any more of this kind of progress."³

Putting the power elements of its foreign policy in action, the United States began an unprecedented buildup of military strength, especially in the area of strategic weapons. "We want," C. Weinberger announced, "to build up our strength in the offensive and defensive sense."⁴ Why? According to him, this was necessary so that the United States would be ready to fight a lengthy war in any corner of the world.⁵

At the same time, the United States announced its intention to strengthen old military-political alliances and create new ones under its own aegis around the Soviet Union's borders.

Attempts have been made to expand the NATO zone of action and to involve the NATO allies in the United States' "imperial" plans in the Middle East and Africa. At a session of the NATO Council in June of this year in Bonn, the members of the North Atlantic Bloc officially announced the expansion of the "NATO zone of action" for the first time in the bloc's history. In a document adopted at this time, they cite the protection of "vital interests" as a possible pretext for military intervention by individual NATO countries outside the bloc's "zone of action" and for the offer of assistance to these countries by other members.

Ronald Reagan's intention to put an end to the "Vietnam syndrome" in the United States was also announced, so that new adventures like the one in Vietnam could be commenced "with a clear conscience."

Finally, practical steps were taken to strengthen the U.S. military presence in the Far East and to continue building up the naval presence in the Indian Ocean.

Furthermore, while Washington was strengthening its nuclear potential, it took every opportunity to stress that this was not merely a matter of nuclear "deterrence" but a case of U.S. willingness to use its nuclear strength. Various scenarios of "limited" nuclear war have been worked out in the United States for this purpose, and the possibility of winning this kind of war is being discussed. Even a first nuclear strike and the criminal idea of starting a nuclear war are being discussed as something not out of the ordinary. These aspects of U.S. military-political strategy were summarized in a speech by the President's national security advisor, W. Clark, in May of this year. Furthermore, they were set forth in a deliberately belligerent spirit. Washington has announced that the 1980's will be years of confrontation with the USSR in all areas and that this will supposedly require greater nuclear strength.

President Reagan expressed these intentions with unprecedented frankness and cynicism this June when he addressed the English Parliament and this July in Washington when he appealed for a "crusade" against the USSR and the countries of the socialist community, against forces for freedom and progress.

For the entire year and a half of its existence, the Reagan Administration has openly worked on a strategy of confrontation. It is true that much has also been said about "arms control" in Washington during most of this period. For example, former Secretary of State A. Haig, Director E. Rostow of the U.S. Arms Control and Disarmament Agency and Director R. Burt of the U.S. State Department's office of politico-military affairs set forth and clarified the fundamental principles of the current administration's approach to "arms control."⁶

What do people in Washington think about arms limitation talks? The most striking thing, and this is probably of much greater fundamental importance than all other publicized principles, is that the issue of arms limitation, including the limitation of strategic weapons, has been categorized as a matter of secondary importance. The Reagan Administration refused for a long time to continue serious talks on the limitation and reduction of strategic arms and put on an ostentatious display to prove that it had no great interest in solving these problems and that it was certainly in no hurry to continue the talks. "In my opinion," E. Rostow said, "there is little to gain and much to lose if we are too hasty in this area."⁷

It was not until 9 May that President Reagan finally announced that the United States was prepared to resume the Soviet-American talks on strategic arms. The American press noted in this connection that the current administration's deliberately negative stand on previous strategic arms limitation agreements made it responsible for the long interruption of the talks.

On the Soviet side, a willingness to resume the talks without delay and with the retention of everything positive that had been achieved up to that time was displayed immediately after the new American Administration took power. The Soviet side stressed the need to conclude treaties and agreements on strategic nuclear weapons and medium-range nuclear weapons in Europe. The state of Soviet-U.S. relations and the acute nature of international problems, L. I. Brezhnev said, "dictate the need for dialogue at all levels, and it must be active dialogue. We are prepared for this kind of dialogue."⁸

This proves the groundlessness of Washington politicians' allegations that the USSR had to be urged to negotiate. The Soviet Union has repeatedly--and at the most authoritative level--invited the United States to continue the talks on the limitation and reduction of strategic arms and the talks on other ways of curbing the arms race, but the United States has either failed to answer the Soviet proposals or has cited various specious excuses to gain time.

Now the talks have been resumed. And the main thing now is to ensure that they take the proper course from the very beginning. In other words, it is important that the American side be fully aware of the self-evident fact that the USSR and the United States will benefit equally from the success of talks on strategic weapons and on medium-range nuclear weapons. "It would be a grave mistake to believe," A. A. Gromyko said at the Second Special Session of the UN General

Assembly on disarmament, "that the Soviet Union is stretching out its hand and begging for talks. No, both sides must reach out to one another if they want to discuss their differences and find a mutually acceptable solution."⁹

There has been no shortage of statements from Washington about a belief in the need for "arms control" and even the "substantial reduction" of nuclear weapons. As soon as Ronald Reagan took office, for example, he announced that "talks must be commenced for a real reduction in the quantity of nuclear weapons."¹⁰ Furthermore, people in Washington even renamed the SALT negotiations START (strategic arms reduction talks). All of this would have looked good if it were not for the new American strategic arms buildup programs. The contradiction between Washington's words and its actions became increasingly obvious. The White House's intention to first build up weapons and then progress toward their "substantial" and "real" reduction was equally obvious. This is the absurd form the White House position eventually took.

In connection with this position, some of the specific aspects of the current administration's approach to arms limitation talks in general and talks on the limitation and reduction of strategic arms in particular are striking.

As former U.S. Secretary of State A. Haig declared, one of the central principles of the "new" approach to arms limitation is that the United States "will strive for arms control with a view to the entire context of Soviet behavior in all parts of the world."¹¹ This is the so-called "linkage" concept, which essentially means that the American side is making the conclusion of agreements on matters of vital importance to mankind, questions connected with the cessation of the arms race, conditional upon other problems and actions having no direct connection with these talks. Furthermore, Washington has reserved the right to specify the criteria of a "good atmosphere" in international affairs and the "good behavior" of the USSR. "The United States cannot even think of negotiating or ratifying arms control agreements without taking into account the Soviet Union's behavior and actions outside the bounds of arms control,"¹² the U.S. secretary of state explained.

Nevertheless, the United States began to negotiate. But did it give up the "linkages"? To clear up any confusion in this area, E. Rowny, head of the American delegation, made the following announcement before the beginning of the Soviet-American talks on the limitation and reduction of strategic weapons: "Linkages are still the foundation of these talks."¹³ These "linkages," which have already caused a delay of a year and a half in the discussion of matters of vital importance to the United States itself, have occupied a prominent place in the arsenal of U.S. foreign policy practices since the very beginning of the 1970's. It is true that at that time the United States resorted to "linkages" primarily in an attempt to escape the quagmire it had created with its adventure in Vietnam.

Incidentally, even then the U.S. Administration cited specific excuses to postpone the start of SALT. In his written instructions to Secretary of State W. Rogers of 4 February 1969, President Nixon said: "This means essentially that the SALT negotiations will be postponed longer than necessary for a review of our technical problems. Furthermore, this means that we must, at least publicly, not exclude the possibility that there will be no talks at all." Henry Kissinger, who was

then President Nixon's advisor on national security matters, admits in his memoirs that he was unable to hold this "note" to the fullest extent.¹⁴

He was unable to do this because the falsity and futility of this tactic of procrastinating on matters of vital importance to the United States were already too obvious. "Nixon's strategy of 'linkages,'" wrote J. Gaddis, American researcher of Soviet-U.S. relations, "never did produce the anticipated results."¹⁵ It was precisely this strategy, however, that delayed the beginning of SALT considerably at that time.

Putting forth this kind of demand is now at best a frivolous practice. Reality itself, FOREIGN AFFAIRS magazine noted, is dictating the need to put at least this question in a special category and not sacrifice it to the tactic of "linkages."¹⁶

The USSR is pursuing its own foreign policy line and it certainly has no intention of departing from it on anyone's orders. The Soviet Union has never encroached upon the interests of others but it naturally also has no intention of giving up its own interests or its ally obligations and class solidarity.

There are now certain issues in world politics which prevail over all others. They prevail for the important and objective reason that the very survival of the human race will depend on their resolution. Paramount among these is the issue of strategic arms limitation and reduction.

The absence of a realistic view of the world state of affairs in the U.S. ruling elite combined with the obvious overestimation of its own potential and underestimation of the potential of others have led to a situation in which the current American Administration has only now, only after a year and a half in office, began to realize, as U.S. NEWS AND WORLD REPORT commented, that global realities often do not conform to its declared slogans and that the United States' ability to pressure its allies and adversaries is also far from unlimited.¹⁷

Although people in Washington have begun to realize the fundamental importance of the limitation of the race for strategic weapons, they are still, so to speak, "keeping it to themselves." They are trying to stop this process in every way possible, acting against the interests of the people of their own country.

By postponing the beginning of the talks on the limitation of nuclear weapons, particularly strategic arms, the American leaders were trying to secure the "upper hand" in these negotiations. This is another characteristic of the current U.S. Administration's approach to arms limitation. When A. Haig addressed the Senate Foreign Relations Committee on 30 July 1981, he stressed: "Let there be no misunderstanding: We intend to continue the arms control process and to conclude agreements from A POSITION OF SECURE AND ASSURED STRENGTH" (author's emphasis).¹⁸

On the eve of the resumption of the Soviet-American talks on strategic arms limitation and reduction, E. Rowny, head of the American delegation, stated in a U.S. NEWS AND WORLD REPORT interview: "The Soviets can see that our President is still full of determination. This has got to put very strong pressure on them. I refer to the fact that he is still keeping our defense programs at a high level in the face of all the critics. This is my strongest card in the negotiations."¹⁹

A little earlier the same E. Rowny had spoken out even more frankly: "By showing concern for our own defense, we will be in a more advantageous position at the negotiations, since WE WILL BE CONDUCTING THEM FROM A POSITION OF STRENGTH" (author's emphasis).

This approach is clearly aimed at a unilateral revision of the basis long since agreed upon by the USSR and the United States, the only possible basis for the negotiation of strategic arms limitation and reduction. It presupposes that the talks must be held "in accordance with the principle of equality and equal security."²⁰

Washington still cannot reconcile itself to the fact that no one is permitted to speak the language of force to the USSR and that this is a futile endeavor. "The immutable basis for talks between the United States and the Soviet Union and for agreement between them," A. A. Gromyko declared at a press conference in New York on 22 June 1982, "is equality and equal security. This applies both to strategic arms and to nuclear weapons in Europe. The Soviet Union cannot deviate from this principle."²¹

Judging by all indications, people in Washington have not forgotten about the "trump cards for bargaining" which American administrations of the 1970's used as the justification for new military programs. The Reagan Administration has retained this "nuance" in its approach to arms control talks. "We will feel far more confident," Haig said, "about our ability to conduct these negotiations (SALT) realistically when we know we have support for strategic programs and the decisions and funds to implement them."²² In fact, as past experience shows, such arguments pursue only one objective--they are designed to justify the adoption of new military programs.

Furthermore, right from the start of the new President's arrival in the White House a great deal of fuss has been made over the claim that his stance consists of the intention to reduce strategic arms "radically." Attempts have been made to imply that it will be necessary to push the Soviet Union into this. The truth of the matter becomes evident, however, as soon as the facts are known. The sides had already formulated accords and agreed upon the principles and basic guidelines for the continuation of the strategic arms limitation talks. In the joint declaration on this question back in June 1979 the United States and the USSR agreed that the objectives whose attainment "the sides will seek during the talks" included "significant and SUBSTANTIAL (author's emphasis) reductions in the quantities of strategic offensive armaments."²³ As we can see, the current U.S. Administration certainly has no monopoly on the desire for "real" and "substantial" reduction in strategic forces. There must be complete clarity on that score.

"We have always been in favor of substantial reductions in strategic arms," L. I. Brezhnev stressed in his speech at the 19th All-Union Komsomol Congress, "and there is no need to persuade us here."²⁴ "On the whole, the Soviet Union is in favor of headway in all directions in which opportunities emerge for the limitation and cardinal reduction of arms--whether they are nuclear weapons, other types of weapons of mass destruction or conventional arms. There is no type of weapon that the Soviet Union is not prepared to limit or ban on a mutual basis."²⁵ L. I. Brezhnev's message to the UN General Assembly Second Special on Disarmament says.

It is extremely important to agree on substantial and real reductions in strategic arms, but this must be achieved without detriment to either side's security and without attempts to obtain unilateral advantages. If Washington, when it speaks of the importance of substantial reductions, means something like what the last U.S. Administration tried to foist on the Soviet Union in the hope of halving--without analogous steps by the United States--the backbone of its nuclear missile shield and thereby securing unilateral advantages for itself, no one must have any illusions on this score.

It is particularly appropriate to recall this in reference to President Reagan's statement that he sees the purpose of talks in the 1980's as "securing a genuine and long-term limitation of Soviet military programs."²⁶ As the WASHINGTON POST reported on 24 May 1982, "the basic problem for the American specialists preparing for the arms talks lies in somehow keeping the Russians from further building up their strategic might WHILE THE UNITED STATES BUILDS UP ITS OWN NUCLEAR POTENTIAL" (author's emphasis). This U.S. stance, as the American press has noted, is fraught with one thing--it may create insurmountable difficulties at the talks.

Another deliberately emphasized idea in the United States is also striking: The current administration, it is argued, intends to start over from scratch at the talks on strategic arms limitation and reduction. This is a clear attempt, as it were, to break the connection that must inevitably link the agreements reached in the past with talks in the future. Yet without continuity there can be no consistency, which it is so important to maintain on issues such as strategic arms limitation. Indeed, you cannot build without a foundation, just as you cannot smash the only foundation on which it is possible to build.

Clearly realizing this, the authors of a report by the American United Nations Association wrote, in reference to objectives for the 1980's in the sphere of disarmament: "The United States and the USSR must open talks in an attempt to find a basis for the retention of the main elements of the SALT II treaty. Instead of starting over from scratch, those elements of the whole package of SALT II agreements that seem to accord with the interests of both sides' national security, and also those that help stabilize the strategic balance, must be retained."²⁷ The authors of this report are not the only people in the United States who realize this, of course.

The question of verifying [proverka] compliance with agreements in this sphere has again surfaced among the principles determining the current U.S. Administration's general approach to arms limitation issues. One might get the impression that the United States has made do without appropriate verification measures in Soviet-American agreements in the past and that this problem has emerged only now. This is certainly not the case. We should recall the Soviet-American treaties on the limitation of underground nuclear weapon tests and on peaceful nuclear explosions of 1974 and 1976 (which have still not been ratified, through the fault of the United States)--they provide for an extensive and detailed system of verification, including the possibility of on-site verification.

As for the Soviet-American SALT agreements, here too verification would not seem to have been a problem. The question of control [kontrol'] was debated in a more than detailed fashion in the United States in connection with the SALT II treaty.

The American Government's official viewpoint was that SALT agreements had invariably been fulfilled in the past and that a reliable system of verification was also ensured for the SALT II treaty. One American Government document openly said, for instance, that "the SALT II treaty is amenable to proper verification. This conclusion is based on an assessment of the verifiability of both the individual provisions of the agreement and of the agreement as a whole."²⁸

So what is the problem now? Is the USSR opposed to control measures or to their improvement, and is it less interested than the United States in them?

It looks as though the point lies elsewhere. Observers are noting that the current U.S. stance on this issue is very reminiscent of the time when the American side, at appropriate opportunities and otherwise, emphasized verification, especially compulsory on-site inspections, in order to conceal its reluctance to reach specific accords and try to pin the blame on the other side for the deadlock thus created at the talks. It is true that the United States is seemingly not saying now, as it did before: "Control first and disarmament measures later." "We will start by formulating substantial limitations that are of strategic significance and THEN prepare the set of measures necessary to ensure verification," E. Rostow declares. However, he explains, control will be necessary not in order to ensure the fulfillment of the future agreements but as the "acid test of the USSR's readiness to embark on substantial limitations."²⁹

One cannot escape the impression that the United States would like to pose as supreme arbiter but in essence to create in advance the possibility of "technical" deadlocks at the talks.

The USSR is not a whit less interested in control than the United States, however, and, as experience has shown, has never avoided the resolution of verification problems through a recognition of the adequacy of national control measures and, if necessary, the use of additional measures as well--given the necessary degree of trust and an appropriate state of political relations. No one is claiming that the problem of control does not exist or that it is very easily solved. However, the real acid test of readiness to embark on particular disarmament measures has been and remains the political will to seek and find mutually acceptable compromises. The fueling of tension between states is incompatible with far-reaching control measures. Once there is trust, new forms of control can be devised or the old ones can be concretized and developed.

The arms race is increasingly getting out of control. Weapons systems that are increasingly difficult to control are making their appearance, and the responsibility for this must be borne by the United States. Recently, FORTUNE magazine wrote that it is now essentially impossible to control, even irrespective of whether or not on-site inspections are envisaged, the reduction of, for instance, the so-called "miniature" types of nuclear weapons with which the United States has now packed Western Europe to the bursting point.³⁰ And how can anyone verify what kind of warhead is fitted onto a cruise missile: conventional or nuclear? Or what its range is?

It is clear that the resolution of the problem of control would be facilitated far more effectively by a display of restraint in the deployment of arms. The USSR has long been calling for this. It is particularly important to bear this

in mind now that the United States is foisting a new and even more dangerous round of the arms race on the world by creating weapon systems over which it will be exceptionally difficult, if not impossible, to establish control. "The development of science and technology in the arms sphere cannot be allowed to outstrip the potential for the control of arms limitation and reduction measures," L. I. Brezhnev has stressed.³¹

Therefore, the current administration has borrowed and reinforced many of the untenable "theoretical" premises of the former U.S. approach to arms limitation talks. It is clear that this approach cannot help practical talks.

There is one other important point. I refer to the people who are now dealing directly with arms limitation questions in the United States. From the very start, enthusiasts for the cause--by American standards, of course--worked in the Arms Control and Disarmament Agency. But the Reagan Administration, as prominent American commentator J. Kraft wrote in April 1982, "picked officials for the agency--and this applies particularly to Director Eugene Rostow and his aides--who want to secure significant reductions in the Soviet arsenal alone." The WASHINGTON POST gave more or less the same description of those who are called upon to deal directly with the problem of arms limitation in the United States today: "In the current administration one encounters greater deliberate opposition to arms control and greater cynicism about the negotiating process among key figures than in any other administration since the start of the nuclear era."³²

Is it at all surprising therefore that the Arms Control and Disarmament Agency has become virtually an open troubador of a reckless arms race (as shown by its most recent report, published in early 1982) and that it, with the Pentagon's support, advocates "making the toughest demands on Moscow," not to mention the fact that, as the NEW YORK TIMES commented, the U.S. delegation at the strategic arms talks is headed by a man "who helped wreck the SALT II treaty."

The "theoretical" premises and statements of the current U.S. Administration about the importance of arms control conflict sharply with its unconcealed attempts to prepare for nuclear war, particularly in Europe. This behavior is naturally arousing indignation and protests throughout the world. People can see that the policy of the current U.S. Administration will lead to nuclear war with all of its unpredictable consequences. Something totally unanticipated by Washington has occurred: The world has been shaken by a powerful peaceful explosion of the antimissile, antinuclear and antiwar movement.

This occurred first in Europe. And not without good reason. People in Western Europe "are wondering more today," wrote former U.S. Undersecretary of State G. Ball, "whether the U.S. Administration is obsessed with Moscow and with its own alarming passion for bombs and tanks as the only instrument of policy.... Europe's reluctance to have medium-range missiles located on its territory stems primarily from the growing suspicion, reinforced by reckless White House statements, that the Reagan Administration regards these missiles not as a means of deterrence but as a means of warfare."³³

This powerful movement forced Washington to propose the so-called "zero option"--Ronald Reagan's first propaganda move to quell the mounting wave of antimissile protests in Europe.

This option, however, ignores the security interests of the USSR and its allies: The Soviet Union has been asked to remove all of its medium-range nuclear munitions from Europe, but with the stipulation that American forward-based systems will not be removed from airports where American nuclear bombers are located. Furthermore, the Soviet Union is supposed to "forget" about the American aircraft carriers and submarines patrolling the territory in direct proximity to the Soviet Union, as well as the nuclear weapons of two U.S. allies--England and France. The purpose of the "zero option," Western press organs have admitted, is purely propagandistic; it consists in a demonstration that the United States is supposedly in favor of negotiations and even of the removal of nuclear weapons from Europe.³⁴ But this maneuver has not fooled anyone. On the contrary, the public has had an extremely guarded response to the United States' sudden willingness to negotiate. It was with good reason that NEWSWEEK magazine remarked in this connection that Reagan's most difficult task would be "to convince Europe of...the sincerity of his policy on arms control."³⁵ This is particularly true in view of the fact that the first round of the Geneva talks on the limitation of nuclear weapons in Europe demonstrated that the United States was trying to gain time and it is not difficult to guess why: The year of 1983, when the United States plans to begin deploying its new missiles in Western Europe, is not far off. By creating delays at the talks with its proposals which were obviously unacceptable to the USSR and by bringing about an impasse, the current U.S. Administration apparently wanted to acquire "justification" for acting on its own plans, which Washington hoped would change the strategic balance of forces in the United States' favor.

What happened next was something the current administration did not anticipate and was probably afraid of: Its belligerent foreign policy, including its policy on arms limitation, especially in the case of nuclear arms, became the target of sharp criticism in the nation. "After 15 months of President Reagan's term," Senator J. Biden stressed in this connection, "the Americans are obviously disillusioned, if not alarmed, by the current administration's apparent indifference to the issue of nuclear arms control."

The U.S. Administration has encountered a growing national movement for a nuclear freeze. This has also been reflected in the mood of the Senate. Senators E. Kennedy and M. Hatfield were the first to draft a corresponding resolution. In response, Senators H. Jackson and J. Warner introduced a counterresolution with, according to the LOS ANGELES TIMES, one simple message: "Build first and freeze later!" It reflected the administration's own position. But antinuclear feelings in the United States continued to grow and the administration had to quickly change its tune. As a result, Reagan finally announced on 9 May that the United States was prepared to begin talks on the limitation and reduction of strategic weapons for the purpose of the "substantial reduction" of strategic arsenals and made his suggestions on the matter public. The American press wrote that the President had wanted to relay this information at the second special session of the UN General Assembly on disarmament but had to make the announcement earlier for a number of reasons, including the fact that nuclear weapons had become the subject of heated political debates within the United States.

In any case, the administration's move was primarily made for propaganda purposes; It was made on the eve of the world forum on disarmament, on the eve of the President's trip to Western Europe and on the eve of the mid-term congressional

elections in the United States. In essence, Reagan's proposals called for a reduction of around 50-60 percent in the warheads on Soviet land-based ICBM's and the majority of the missiles themselves. The United States would reduce the number of its warheads slightly by scrapping some obsolete submarines and would even have a chance to increase the number of warheads on its own land-based ICBM's. The reduction would not affect the huge number of warheads on U.S. heavy bombers. This had to be admitted by American press organs and many experts, such as, for example, L. Gelb, G. Kistiakowsky and others.³⁶

"It would be difficult not to conclude," L. I. Brezhnev stressed in reference to the American President's statement of 9 May, "that the U.S. President's declared position does not aim to seek agreement, but to create the necessary conditions for the continuation of Washington's attempts to achieve military superiority to the Soviet Union."³⁷ In a description of Reagan's proposals, NEWSWEEK magazine wrote that their main purpose was to win a propaganda advantage and calm the public at home and abroad. However, the magazine concluded, "it is obvious that these proposals...cannot serve as the basis for agreements."³⁸

"Our government has an arms policy envisaging a broad-scale and costly arms buildup but no effective policy to secure peace"--this is how Senator E. Kennedy defined the essence of the current administration's foreign policy line. Facts are facts.

The American Administration's policy is certainly consistent when it comes to the buildup of weapons on all fronts. On the other hand, when it comes to its practical approach to the negotiation of arms limitation and reduction, there has been much talk about negotiations but little action, at least up to this point.

This contrasts sharply with the purposeful, consistent and principled attempts of the USSR to bring about the immediate cessation of the arms race, especially the race for nuclear arms, by means of the negotiation of substantial reductions up to the point of the total elimination of weapons. This unchanging line was again clearly demonstrated at the second special session of the UN General Assembly on disarmament, at which time the Soviet Union put forth new far-reaching initiatives in this field. The decision announced by General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev in his message to this session can be called truly historic: "THE UNION OF SOVIET SOCIALIST REPUBLICS PLEDGES NOT TO USE NUCLEAR WEAPONS FIRST.

"This pledge will go into effect without delay."³⁹

The Soviet Union's new move attests to the USSR's firm resolve, despite all the complexity of the present international situation, to work consistently toward the main goal--the deliverance of the world public from the threat of nuclear war. Furthermore, because it was announced on the eve of the resumption of the Soviet-American talks on the limitation and reduction of strategic weapons, this act of goodwill will create a favorable climate of trust in relations between states, which is so necessary for the resolution of the cardinal issues of security and peace and for the discussion of problems connected with the cessation of the arms race and with disarmament in general.

"If the other nuclear powers were to follow the Soviet Union's example," A. A. Gromyko said, "nuclear war, the dangerous threat of which is hanging over mankind, would be eliminated." The USSR's historic move has met with understanding and widespread support in the United Nations and throughout the world. It has even been commended by realistic U.S. officials. Former U.S. Secretary of Defense R. McNamara said that he was "delighted by the Soviet initiative." Its great importance was pointed out by G. Smith, the former head of the U.S. Arms Control and Disarmament Agency. The Soviet statement was called historic by R. Scott, one of the leaders of the American Arms Control Association.⁴⁰ And U.S. NEWS AND WORLD REPORT complained that the Soviet move "put Reagan in a difficult political position."⁴¹

Many at the second special session of the UN General Assembly on disarmament expected an official response from Washington. But they were mistaken. The American President's speech did not contain the anticipated response, although it was advertised in advance as "the administration's contribution to the cause of peace." In fact, it consisted merely in attempts to justify the U.S. policy aimed at undermining detente and escalating international tension. Ronald Reagan again praised his earlier proposals regarding medium-range missiles in Europe and strategic weapons, although they are obviously contrary to the principle of equality and equivalent security and restrict the security interests of the USSR and its allies.

The limitation and reduction of nuclear weapons, this issue of issues, requires the most serious, responsible governmental approach, and not verbal curtsies. The success of talks in this area would be ensured if their cornerstone were to be the principle of equality and equivalent security with consideration for all earlier positive achievements. Talks of this kind, and not maneuvers around them, are in the security interests of even the United States.

FOOTNOTES

1. DEPARTMENT OF STATE BULLETIN, August 1981, p 19.
2. Ibid., p 62.
3. NEWSWEEK, 20 April 1981, p 13.
4. FORTUNE, 19 October 1981, p 142.
5. NEWSWEEK, 8 June 1981, p 14.
6. DEPARTMENT OF STATE BULLETIN, August 1981, pp 31-32; November 1981, p 59; January 1982, p 30.
7. Ibid., October 1981, p 33.
8. "Materialy XXVI s"yezda KPSS" [Materials of the 26th CPSU Congress], Moscow, 1981, p 23.

9. PRAVDA, 17 June 1982.
10. DEPARTMENT OF STATE BULLETIN, March 1981, p 12.
11. Ibid., August 1981, p 32.
12. Ibid., February 1981, p H.
13. U.S. NEWS AND WORLD REPORT, 14 June 1982, p 34.
14. H. Kissinger, "White House Years," Boston-Toronto, 1979, pp 136, 138.
15. J. Gaddis, "Russia, the Soviet Union and the United States," New York, 1978, p 264.
16. FOREIGN AFFAIRS, Vol 59, No 3, 1981, p 520.
17. U.S. NEWS AND WORLD REPORT, 1 February 1982, p 20.
18. DEPARTMENT OF STATE BULLETIN, September 1981, p 18.
19. U.S. NEWS AND WORLD REPORT, 14 June 1982, p 33.
20. "Joint Statement on the Principles and Basic Guidelines of Subsequent Talks on the Limitation of Strategic Weapons" of 18 June 1979, PRAVDA, 19 June 1979.
21. PRAVDA, 23 June 1982.
22. DEPARTMENT OF STATE BULLETIN, May 1981, p 17.
23. PRAVDA, 19 June 1979.
24. Ibid., 19 May 1982.
25. Ibid., 16 June 1982.
26. THE NEW YORK TIMES, 10 May 1982.
27. "U.S.-Soviet Relations: A Strategy for the 80's," Report of a National Policy Panel of the United Nations Association of the USA, New York, 1981, p 52.
28. DEPARTMENT OF STATE BULLETIN, April 1978, p 16.
29. Ibid., October 1981, p 33.
30. FORTUNE, 17 May 1982, p 108.
31. PRAVDA, 3 November 1981.
32. INTERNATIONAL HERALD TRIBUNE, 3 May 1982.

33. Ibid., 30-31 January 1982.
34. See, for example, BUSINESS WEEK, 21 December 1981, p 31.
35. NEWSWEEK, 14 June 1982, p 12.
36. THE NEW YORK TIMES, 11, 12 May 1982.
37. PRAVDA, 19 May 1982.
38. NEWSWEEK, 14 June 1982, p 13.
39. PRAVDA, 16 June 1982.
40. THE NEW YORK TIMES, 16 June 1982.
41. U.S. NEWS AND WORLD REPORT, 28 June 1982, p 6.

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ABOUT THE REAGAN ADMINISTRATION'S 'NEW FEDERALISM'

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 82 (signed to press 20 Sep 82) pp 19-29

[Article by A. A. Volodin]

[Text] In the United States--a nation with a developed federal system and a strong tradition of regionalism--the problems of federalism, or the federal government's interrelations with state and local government agencies and the distribution of governmental functions among them (particularly socioeconomic ones), have always occupied a prominent place in the activities of the Washington Administration and in the entire structure of state-monopoly capitalism.¹ These problems have recently come to the fore in Washington policy and in the strategy of American state-monopoly capitalism. This has been due, on the one hand, to the exacerbation of the internal conflicts of today's capitalist society, particularly economic and social problems, the increasingly pronounced crisis of state-monopoly capitalism and, consequently, the search for new means of state economic regulation and the mobilization of all its resources, particularly on the level of the states. Another reason is the rise of the Republican Party, which has traditionally believed in the maximum decentralization of the bourgeois government's socioeconomic functions. American ruling circles have become even more aware of the need to reinforce the machinery of state and heighten its effectiveness for the resolution of urgent economic problems. Its ability in this area is being affected more and more by the federal structure and the division of responsibilities among various levels of government.

Under these circumstances, it has become clear that the chances for the success of the economic and social policy of the Republican Administration, and even its military policy to some degree, will depend on the way in which the problems of federalism are solved. The concept of the "new federalism" was already being proposed during Ronald Reagan's election campaign and was reflected in his economic platform. Ruling circles attach great significance to its implementation. "We regard the new federalism," said E. Meese, one of the President's closest advisers, "as the most important stage in the realization of the presidential mandate of 1980."²

The States in the System of State-Monopoly Capitalism

The transition to state-monopoly capitalism in the United States was accompanied by the centralization of the administrative functions of the machinery of state and of governmental power in the hands of the federal government. Traditionally,

however, state and local government agencies have played an important role in U.S. economics and politics.³ In addition to carrying out other responsibilities, they organize and hold elections, draw up their own laws and enforce them and perform police functions. Different states are spheres of primarily Republican or Democratic Party influence, and their representatives in the Congress and its committees have a direct effect on the decisions made in the upper echelons of government.

Within the context of this article, their significant role in government finance and in the performance of the bourgeois government's socioeconomic functions in the United States warrants special discussion. This role and the entire group of specific functions and powers of state and local government agencies are determined during each different stage by the overall strategy of American state-monopoly capitalism. In spite of the natural tendency toward the centralization of governmental authority, state and local government accounted for more than 30 percent of all government budget funds in the 1960's and 1970's (see Table 1). If we consider that more than 80 billion dollars, or almost 14 percent of the federal budget, is redistributed in the form of grants to lower echelons of power and is spent by them, the final expenditure figure for state, county and municipal governments exceeds 40 percent of all government spending (324.4 billion dollars in 1979, 355 billion in 1980 and 380.3 billion in 1981).⁴ During the postwar period as a whole, the general tendency in the distribution of budget resources and powers among various links of government has been one of stabilization, and at times the role of state and local government in the system of state-monopoly capitalism has even been expanded (this, of course, does not mean a return to the conditions of pre-monopolistic capitalism, particularly the conditions of the first years of the United States' existence, when state legislatures dictated their own terms to the still weak federal government and subsidized it with their own funds).

A contributing factor has been the nature of the functions of local government, the prerogatives of which have traditionally included the financing of the social and economic infrastructure. It accounts for most government expenditures on education, public health, social security, transport-related construction, etc. To a considerable extent, the present status of state and local government rests on a fairly strong and diversified local tax system, guaranteeing it a financial base and some degree of independence in decisionmaking in some areas of economics. For example, between 1948 and 1980 the proportion accounted for by the states in total taxes in the United States rose from 26 percent to 38.9 percent (to 220 billion dollars in absolute terms).⁵

This means that the centralized bourgeois government delegates its local machinery many duties connected with the operational support of the social and economic infrastructure in general and the use of budget funds in particular; it is also expected to find sources of revenue, which actually relieves the federal government of a tremendous amount of financial responsibilities. In essence, the concrete socioeconomic functions of government are performed by state and local agencies with some measure of intervention by the upper echelons of government in the funding and management of certain programs. It is completely obvious, however, that the primacy of the federal government is maintained and that the "strategic" intrigues of state-monopoly capitalist policy on the local level are worked out in Washington halls of power. Nevertheless, we repeat, the present system allows

the federal government to avoid direct responsibility for the resolution of various problems by formally assigning this responsibility to the states and blaming the limited nature of social financing and cuts in these funds on the local budgets with their perpetual deficits. As a result, the retention of some degree of budget autonomy by the states within the system of U.S. Government finances should be regarded as a permanent element of the state-monopoly strategy aimed at strengthening capitalism's foundations.

Table 1

U.S. Government Expenditures (Current Prices)

Fiscal year (Federal)	Total, billions	Breakdown			
		Federal expenditures*		State and local expenditures	
		Billions of dollars	%	Billions of dollars	%
1929	10.2	2.6	25.5	7.6	74.5
1939	17.4	8.9	51.1	8.5	48.9
1949	59.3	41.3	69.6	18.0	30.4
1954	97.0	69.8	72.0	27.2	28.0
1959	131.0	91.0	69.5	40.0	30.5
1964	176.3	118.2	67.0	58.1	33.0
1969	285.6	188.4	66.0	97.2	34.0
1974	458.2	299.3	65.4	158.9	34.6
1979	753.2	509.2	67.7	244.0	33.3
1980	869.0	601.2	69.2	267.0	30.8
1981	979.7	686.4	70.0	293.3	30.0

* Including grants to state and local governments.

Compiled according to: "Significant Features of Fiscal Federalism, 1978-79 Edition," Washington, 1979, p 7; "Economic Report of the President 1982," pp 320, 321.

The considerable growth of state and local financing in the postwar years stemmed from such objective factors as population growth, which meant that more people would be using local services, the "school boom" of the 1950's and early 1960's, the intensive processes of urbanization and sub-urbanization, the greater need for social financing when ruling classes had to wage "war on poverty," the rising crime rate, urban crises and the development of the technological revolution. Under these conditions, the economic activity, social functions and expenditures of state and local governments became an objectively necessary element of the operation of all state-monopoly capitalism, although the main elements of state-monopoly regulation, just as the corresponding financial resources, naturally continued to be concentrated on the federal level. The lower echelons of power are responsible for the state of affairs in areas outside the sphere of priorities of private capital and the federal government. For example, they play a tremendous role in the financing of education (92.8 percent of all government expenditures), social security (71.4 percent), public health (88.9 percent), highway construction (90.7 percent), the maintenance of a police force (88.9 percent), environmental protection and conservation (39.1 percent) and urban and housing construction (41.1 percent).⁶

In addition to all this, local government actively influences economic processes in general and the dynamics of market demand through the purchase of goods and services. Whereas these purchases account for only 33.3 percent of federal government expenditures (228.6 billion dollars out of 686.4 billion in 1981), they represent the major item of state and local expenditures--94.9 percent (361.1 billion dollars out of 380.3 billion); the rest is spent on public welfare and the payment of interest on state and local debts.⁷ Therefore, the non-federal sector accounts for more than 63 percent of all government purchases of goods and services. Its share of government capital investments is just as great--60 percent, for example, in 1977 (44.9 billion dollars out of 74.9 billion).⁸ This is the reason for its significant influence on the economic cycle and on the entire course of reproductive processes. The financing of major projects through the issuance of municipal and state bonds has a considerable effect on the state of the securities and loan market.

In the presence of this kind of administrative machinery with substantial budget revenues and specific functions, the state-monopoly regulation of nationwide socioeconomic policy without the assistance of state and local governments became impossible long ago. It is not surprising that the old concept of economic federalism--that is, the distribution of budgetary and administrative functions among various levels of government--has acquired new and broader meaning in past decades, and particularly just recently. The dominant class regards the lower echelons of power as the major channel for the implementation of government programs, as an additional source of financial resources and as the link which can be assigned many socioeconomic functions when necessary.

This approach to the policy of federalism and the definite updating of the concept were made necessary by the increasingly severe crises of government finances, the cyclical development of the U.S. economy, the exacerbation of social and political contradictions, the growing ineffectiveness of all methods and means of state-monopoly regulation and the bankruptcy of the social and economic policy of previous administrations. Government plans to combat unemployment and inflation and to stimulate economic growth failed. The crisis of social assistance programs and the systems of public education and health care still hold a prominent position on the long list of national problems requiring immediate resolution. Urban ghettos are growing, environmental pollution has continued and public transport, utilities and municipal services are suffering a decline.

The Place and General Purpose of Reforms

It was in this atmosphere that the Republican Party took power and made an attempt to "revitalize" the economy and finances and somehow solve the entire group of urgent social problems not on the basis of Keynesianism, but with the aid of alternative economic policies, reflecting the traditional conservative aims of limiting the role of government, reducing social assistance and granting large corporations maximum freedom.⁹ In particular, the Reagan Administration planned the partial redistribution of the functions of state-monopoly regulation by transferring some of these functions and some socioeconomic programs to state and local governments.

This was done in pursuit of a broader goal: some measures to "deregulate" the economy, limit the growth of federal spending, especially social expenditures, and find the additional funds needed to finance a colossal military buildup and to

compensate for the budgetary losses connected with the offer of major tax privileges to business were to be instituted under the banner of decentralization. The announced reduction of the scales of government intervention in the economy and the actual cuts in social aid to the poor were rationalized with references to the operational inefficiency of the excessive growth of federal agencies. "We are convinced," said R. Carlson, one of the President's chief advisers on federalism, "that better decisions on financial priorities can be made on the level of state and local governments."¹⁰ These ideas were first reflected in the concepts of "new states rights" and the "balanced federation" and were then recorded in the precise and detailed program of the "new federalism."¹¹

In principle, there is nothing new or unexpected in Reagan's declared concept and policy of "new federalism." The "cooperative federalism" of L. Johnson, J. Carter's "new partnership" and, in particular, R. Nixon's "new federalism" also envisaged the active use of state and local governments in the implementation of the socio-economic policy of state-monopoly capitalism. Whereas Democratic presidents had usually resorted to the artificial intensification of government centralization and direct financial orders to state governments in an attempt to use their budget resources and administrative prerogatives to carry out nationwide programs, the Republicans wanted to lighten the load of the federal machinery to some degree by assigning the maximum number of socioeconomic functions to state and local governments. The process of centralization reached its highest point at the end of the 1960's, when budget resources, decisionmaking and all government regulation of economic and social processes were concentrated to the maximum on the federal level. This was followed by the revival of localist tendencies which neutralized this process.

The local machinery of state, loaded down by responsibilities, began to demand not only larger federal grants but also the authority to use its own initiative and make its own decisions on the expenditure of its own funds and some federal funds and wanted to regain some of the prerogatives which had been usurped by the federal government on the pretext of the state of emergency during World War II and the Korean and Vietnam wars. In addition to the economic program of the Republicans, where economic "deregulation" also occupies a prominent place, there was the birth of the concept of a "new federalism" envisaging the creation of a "balanced federation" and "the return of responsibility to state governments not only for the functions which...they can perform better than the federal government, but also the necessary sources of financing."¹²

Under the conditions of present-day state-monopoly capitalism, it is completely obvious that these widely publicized plans can never be carried out in full. As far as more limited and specific measures are concerned, the general features of the reform conducted within the channel of "new federalism" over a period of 10 years (1981-1991) should be examined. The reorganization of the system of federal aid to state and local governments constitutes the basis of the first stage of this reform. During the second stage, these governments are to assume the maximum number of socioeconomic functions. This should "lighten the burden" of the federal government, and eventually of the entire machinery of state. The verbal rhetoric about the need to "limit the scales and influence of the federal establishment" and "distinguish clearly between the powers of the federal and state governments" conceal an intention to assign the lower links of the machinery

of state most of the responsibility for financing social security, aiding the poor, combating the deterioration of city centers and fighting against environmental pollution. According to plans, this should simultaneously relieve the federal bureaucracy of the responsibility to mobilize tax revenues and will make additional resources available for the further escalation of the arms race.

The Remodeling of the Mechanism

This discussion should begin with a reminder that the scales of federal aid and its share of state and local revenues have been quite sizable up to the present time, serving as the material basis of interrelations between the federal and state governments.

Table 2 shows that the federal treasury accounted for more than 30 percent of local budget revenues in 1980 (in comparison to 11.8 percent in 1955). Subsidies totaled 90 billion dollars. In other words, despite their definite decrease from 1979 on (in constant prices) as a result of the cuts planned by the Carter Administration in the real amounts of social financing, total subsidies were equivalent to 3.5 percent of the GNP. This is the second largest (after military expenditures) item of federal spending (15.8 percent of the federal budget in fiscal year 1980, as compared to 4.7 percent in 1955) and it has a significant effect on the nation's economy.

Table 2

Federal Grants to State and Local Governments

Fiscal year (federal)	Billions of dollars		% of GNP	% of federal budget	% of state and local revenues
	Current prices	1972 prices			
1955	3.2	5.8	0.8	4.7	11.8
1960	7.0	11.4	1.4	7.6	16.8
1965	10.9	15.7	1.7	9.1	17.7
1970	24.0	27.0	2.5	12.2	22.9
1972	34.4	34.4	3.1	14.8	26.1
1975	49.8	39.1	3.4	15.3	29.1
1976	59.1	43.2	3.5	16.1	31.1
1977	68.4	45.9	3.7	17.0	31.0
1978	77.9	48.5	3.8	17.3	31.7
1979	82.9	47.2	3.6	16.8	30.9
1980	89.8	45.8	3.5	15.8	30.5

Compiled according to: "Significant Features of Fiscal Federalism, 1979-80 Edition," p 161.

It is significant that these grants became a permanent part of local government revenues long ago and, in this capacity, an important element of influence on socioeconomic processes. They do not simply reduce the deficit in local budgets but also play a major role in financing several regional programs. The enhancement of the effectiveness of state-monopoly regulation is being seriously impeded, however, by the complicated bureaucratic procedure of their distribution

and the dramatic growth of administrative expenditures, along with the strictly regulated use of these funds and the pronounced dissipation of resources. Table 3 shows that most federal aid takes the form of limited functional and special grants and only a negligible portion is used for "block" grants, the "revenue sharing" program and other forms of financial assistance.¹³

Table 3

Structure of Federal Grants to State and Local Government

Type of Grant	Fiscal Year (Federal)								
	1966	1972	1976	1977	1978	1979	1980	1981	1982*
Special grants, %	98.2	90.2	77.3	74.0	72.9	75.8	78.9	81.7	81.1
"Block" grants, %	0.0	8.3	10.6	12.1	14.8	14.1	11.3	11.1	12.1
"Revenue sharing" program and other forms of financial aid, %	1.8	1.5	12.1	13.9	12.3	10.1	9.8	7.2	6.8
Total in billions (current prices)	13.0	34.4	59.1	68.4	77.9	82.9	88.9	95.8	86.7

* Estimate

Compiled according to: "Federal Aid to State and Local Governments. Reprint from Special Analyses, Budget of the United States Government 1981," Washington, 1980, p 257; INTERGOVERNMENTAL PERSPECTIVE, Vol 8, No 1, 1982, p 6.

According to a survey, more than 83 percent of the representatives of state government believed, and with good reason, that excessively regulated special federal aid ultimately leads to "interference in local affairs." Furthermore, 53 percent of the respondents said that federal grants have a negative effect on socioeconomic programs.¹⁴ The mounting criticism of the bureaucratization of federal assistance under the Carter Administration facilitated the task of cutting federal social expenditures. The measures which began to be carried out on a broad scale when the Republicans took power were already being anticipated then.

The present reorganization of the intergovernmental grant system is based on significant changes in their structure. Above all, "block" grants are to account for a much higher percentage of federal aid, with a simultaneous decrease in total aid (this decrease was instituted within the framework of Reagan's economic program, which was adopted in 1981 and envisages, in particular, the limitation of the growth of federal spending, especially social expenditures). Therefore, in contrast to the draft 1982 budget drawn up by the Carter Administration, in which the proportion accounted for by "block" grants was to rise to 16.6 percent (after a decrease from 14.8 percent in 1978 to 11.3 percent in 1980), Reagan's budget planned the distribution of more than 38 percent of all the funds paid out to the states through "block" grants. The original plan was to consolidate 115 special grants in 7 block programs (social assistance; public health; emergency medical treatment; aid to schools and universities; power engineering; urban development). In fact, however, by the beginning of 1982 the administration had been able to gain congressional approval for the consolidation of only 57 (of 115) limited functional subsidies, with a total cost of only 7.5 billion dollars, in 9 block grants. Another 41 special grants are to be combined in "block" grants in fiscal 1983.¹⁵

All of the loud promises that "block grants would make it possible to avoid cumbersome bureaucratic procedures, excessive administrative costs and the duplication of programs and...in general represent an instrument for the transfer of authority to state and local governments"¹⁶ conceal quite specific plans aimed primarily at reducing federal expenditures on economic and, in particular, social programs. According to the estimates of the Council of State Governments, the elimination of "excessive regulation" could somehow compensate in principle for a general reduction of 10 percent in grants. By fiscal 1982, however, the ax of "Reaganomics" had already chopped federal grants to the states by 13 percent (in comparison to the figure in Carter's draft budget)¹⁷ and had completely buried the hopes of state governors for the President's "complete understanding" of the scales and depth of socioeconomic problems facing state and local governments. Furthermore, in spite of the promises to "return resources and authority to the states," the President assigned local government most of the burden of the cuts in social programs (in 1982 their total volume was reduced by 35 billion dollars), and 66 percent of the total cut was made in the federal grants. In this way the "block" grants, as one of the major elements of "new federalism," turned into, as Arizona Governor D. Babbitt said so eloquently, "a tactical weapon for federal budget reduction."¹⁸

The long-range plans for the redistribution of socioeconomic functions on the basis of the "new federalism" envisaged deeper changes in the organizational structure of American state-monopoly capitalism than the plans of Republican Presidents H. Hoover, D. Eisenhower, R. Nixon and G. Ford.

In addition to the reorganization of the federal grant system, state and local governments would take charge of more than 40 major federal programs along with the sources of their financing. A "federated fund" of 28 billion dollars will be used over the 10-year period. It will be made up of deductions from federal excise (or indirect) taxes.¹⁹

This reorganization will give state and local governments a somewhat more important role within the federation in the performance of economic functions stemming from U.S. state-monopoly policy. The federal government hopes to gain more freedom for budgetary maneuvers, which are necessary for the further growth of military spending and the concentration of resources in the areas regarded as most important by ruling circles. According to their plans, this should strengthen the existing social order. Under the conditions of developed state-monopoly capitalism, these measures can be regarded as one instrument of socioeconomic maneuvering by the government, primarily in central authorities.

Old Problems of 'New Federalism'

Experience has shown, however, that various types of "new federalism" programs are not producing the results anticipated by Washington.

Even the first concrete steps toward the reduction of government social expenditures and federal grants and toward their reform aggravated relations with the states and created even greater disparities in measures of state regulation.

As soon as the fiscal year 1982 budget had received congressional approval, the widely publicized system of "block" grants began to display its defects. First of all, the state and local governments were pressured by the administration to accept these grants without receiving any advance information "about the size of allocations or the rules and aims of the federal government" (in connection with their use--A. V.). By fall 1981 this had created confusion in the state budget agencies planning their 1982 expenditures. Administrative costs rose sharply and many errors and omissions came to light.²⁰ This disrupted the coordination of the financial policy of local governments with the policy of state governments because it changed the traditional system for the distribution of federal funds among them. In particular, the federal government's transfer of total control over urban development grants to the state was loudly protested by mayors, who viewed this as a threat to existing financing priorities. The traditional anti-urban position of state governments posed a potential threat to the urban development program.

States, county and municipal governments also disagreed with another basic principle of "new federalism"--the transfer of total responsibility to them for programs of aid to low-income families and food stamp programs (totaling 24 billion dollars). In the past, NEW REPUBLIC magazine noted, these programs "were considered to be federal precisely because the states differ widely in terms of their ability and inclination to aid the poor. Decentralization will mean that the poorest states will lose the largest portion of federal aid and it is precisely there that the poorest population strata suffer the most."²¹ At its annual convention in February 1982, the National Governors Association voted against the plans to reassign "traditionally national functions" to the states and called for their "fair and reasonable distribution."²²

The most negative consequences of Reagan's "new federalism," however, took the form of a sharp reduction in the amount of federal aid to the states in line with the reform of the federal grant system and the federal policy of cutting social expenditures. This coincided with the intensification of the chronic crisis of local finances in the United States, the development of which had been inhibited to some degree by funds from the federal treasury. The attempts of previous administrations to reduce the federal budget deficit by cutting social programs, especially through the limitation of the growth of grants, had already eliminated the overall positive balance of state and local budgets and had given rise to a deficit of 9.4 billion dollars in 1980. The total debt of state and local governments grew even larger, totaling 313.5 billion dollars, or 26.6 percent of the entire U.S. public debt.²³ The very first consequences of the policy of "new federalism" had an even more pronounced destabilizing effect.

For example, although the Carter Administration had planned to spend around 117 billion dollars on grants in fiscal year 1982, the Republicans cut this figure by 25 percent. Per capita federal aid decreased by 166 dollars a year.²⁴ Considering the effects of inflation, economic crises, growing unemployment and the constitutional limitations in most states on deficit financing or the size of the public (state or local) debt, total budget losses in 1981 amounted to, for example, 2.5 billion dollars in California, 414 million in Kentucky, 296 million in North Carolina, and so forth.²⁵

The cuts in social programs and federal aid had a particularly negative effect on cities where the main socioeconomic problems of American society are usually quite pronounced. The acute shortage of funds in cities and urbanized counties, combined with the chronic crisis of local finances, had already compelled more than 41 percent of the American cities to plan increases in property and sales taxes in 1981.²⁶ Because the cities could not expect support from the state governments, which have traditionally kept aid to a minimum, they had to resort to direct cuts in spending in addition to tax increases. For example, 70 percent of the city governments announced their decision to lay off some city employees, 82 percent planned to spend less on social programs and 92 percent announced cuts in public education programs. Reagan's "new federalism," a report of the Conference of Mayors noted, had created "chaos in their (the cities'--A. V.) financial system" and had completely undermined faith in the "wisdom" of federal regulation and in the sincerity of the administration's intention to restore the "financial health of cities."²⁷

Furthermore, there were no grounds for the hope that the local budget deficits resulting from cuts in federal aid would be compensated for by increased revenues due to economic revival and a drop in the rate of inflation. The attempts of state and local governments to balance their income and expenditures by raising taxes led to the creation and intensification of regional disparities in the nation (in connection with the great differences between states and regions in terms of standard of living, absolute tax base, level of taxation, scales of poverty and the entire complex of socioeconomic problems). This has made the states more unequal in terms of social security and has intensified the contradictions between the northeastern states, which are falling behind in their economic development, and the more rapidly developing South, where the pro-monopoly aims of tax policy and state economic legislation are quite apparent.

Conflicts have arisen between the federal government and the states not only as a result of the program of "new federalism" itself, but also as a result of some of the fundamental principles of the Republican Administration's economic policy (these matters do not fit into the subject matter of this article).

The implementation of the program of "new federalism" has been accompanied by the increasing diffusion of the euphoria connected with the hope of its success. The unrealistic nature of the broad-scale redistribution of socioeconomic functions among upper and lower levels of government, the substantial structural changes in the pyramid of government finances and the disruption of the existing system of state-monopoly regulation were already apparent in the first year of the Republican Administration. A special conference convened in the White House in 1981 to discuss the problems of federalism had to acknowledge that "American federalism is weak" and is experiencing serious upheavals.²⁸

There is no question that American state-monopoly capitalism will continue trying to strike the "optimal" balance between federal and local economic and social functions in the current, critical stage of its development. In principle, however, all of the possible fluctuations of centralist and decentralist trends cannot change the essence of their interrelations. "The form of government," V. I. Lenin was already writing in 1919 (that is, at the very birth of state-monopoly capitalism), "which reveals the class nature of bourgeois institutions of power

under imperialism, can differ: Capital displays its strength in different ways under different forms of government, but power essentially remains within the hands of capital." This is all the more obvious now, under the conditions of developed state-monopoly capitalism, in which the lower links of government, despite the variety of their interrelations with the central authority, ultimately function and will continue to function "according to the rules set by the central authority and within the limits it stipulates."²⁹

There is no question that subsequent changes in the federated system will be accompanied by the growth of conflicts between upper and lower echelons of government. Nevertheless, the further development of the U.S. economic organism and the general laws governing American state-monopoly capitalism can enhance the role of state and local governments only as agents of state-monopoly policy on the local level.

FOOTNOTES

1. See the article by A. A. Volodin in issue No 5 for 1979--Editor's note.
2. NATION'S BUSINESS, March 1982, p 32.
3. See B. S. Krylov, "SShA: federalizm, shtaty i mestnoye upravleniye" [Federalism, the States and Local Government], Moscow, 1968; "Sovremennyy burzhuznyy federalizm" [Present-Day Bourgeois Federalism], Moscow, 1978, pp 7-46.
4. "Economic Report of the President 1982," Washington, 1982, p 320.
5. "Significant Features of Fiscal Federalism. 1979-1980 Edition," Washington, 1980, p 59.
6. "Statistical Abstract of the United States 1980," Washington, 1980, p 290.
7. "Economic Report of the President 1982," pp 233, 320.
8. "Governmental Finances in 1976-77," Washington, 1978, p 36.
9. For more detail, see the articles by V. M. Shamberg, "The Economic Concepts of the Republican Administration," in issue No 5 of the magazine and Yu. I. Bobrakov, "Administration Economic Policy and the Presidential Messages of 1982," in issue No 6 for 1982.
10. CONGRESSIONAL QUARTERLY WEEKLY REPORT, 25 April 1981, pp 709-710.
11. INTERGOVERNMENTAL PERSPECTIVE, Vol 7, No 1, 1981, pp 4, 29.
12. U.S. NEWS AND WORLD REPORT, 1 December 1980, p 14; INTERGOVERNMENTAL PERSPECTIVE, Vol 7, No 1, 1981, p 29; NATIONAL JOURNAL, 28 November 1981, p 2111.

13. Special grants are offered to state and local governments within the framework of a specific program or project financed (partially or completely) by the federal government. Their acquisition and use are strictly conditional upon certain terms, and the failure to observe them results in the automatic cessation of payments. In 1970 there were 130 types of special grants, and in 1980 there were 492. The total number of federal laws, regulations and principles governing the distribution of just these grants rose from 24 to 354. All of this considerably limits the initiative and freedom of budgetary maneuvers on the local level. STATE GOVERNMENT, Vol 54, No 4, 1981, pp 114-120.

Block grants provide greater freedom in the use and distribution of federal funds and an opportunity to maneuver budget resources and save on administrative costs.

The "revenue sharing" program has been operating since 1972. By the terms of this program, local governments, and the states until recently (1982), received an average of 6.4 billion dollars annually without any kind of restrictions on the use of the funds.

14. "The Intergovernmental Grant System as Seen by Local, State and Federal Officials," Washington, 1977, p 112.
15. "Budget of the United States Government 1983," Washington, 1982, pp 5-192; D. Walker, "The Changing Dynamics of Federal Aid to Cities." New York, 1981, p 9.
16. STATE GOVERNMENT NEWS, September 1981, p 8.
17. "The Regional and Urban Impact of the Administration's Budget and Tax Proposals," Washington, 1981, p 11; TIME, 24 August 1981, p 33.
18. NATIONAL JOURNAL, 10 October 1981, p 1800.
19. "Budget of the United States Government 1983," pp 3-26, 3-29, 3-30.
20. NATIONAL JOURNAL, 10 October 1981, p 1804.
21. THE NEW REPUBLIC, 10 February 1982, p 6.
22. TIME, 8 March 1982, p 10.
23. "Impact of the Fiscal Year 1981 Budget on State and Local Governments. Hearings before the Task Force on State and Local Governments of the Committee on the Budget. House of Representatives, 96th Congress. Second Session," Washington, 1980, pp 9, 10; "Significant Features of Fiscal Federalism. 1979-80 Edition," Washington, 1980, p 181.
24. NATIONAL JOURNAL, 30 May 1981, p 960.
25. STATE GOVERNMENT NEWS, June 1981, pp 6, 7.

26. U.S. NEWS AND WORLD REPORT, 7 December 1981, p 10.
27. STATE GOVERNMENT NEWS, June 1981, p 17.
28. "The Future of Federalism in the 1980's," Washington, 1981, p 75.
29. V. I. Lenin, "Poln. sobr. soch." [Complete Collected Works], Vol 39, p 81; Vol 16, p 337.

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APPROACHING THE LOS ANGELES OLYMPICS UNDER THE BANNER OF COMMERCIALISM

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 82 (signed to press 20 Sep 82) pp 30-40

[Article by R. M. Kiselev]

[Text] For a long time the city of Los Angeles has been requesting the International Olympic Committee to hold the games in this city. In October 1974 the IOC rejected the choice of Los Angeles in a secret ballot and decided to hold the 22nd Olympic Games in Moscow.¹ Los Angeles made another attempt in May 1978, at the 80th anniversary session of the IOC in Athens. This time there were no other contenders for the 1984 Olympics (an unprecedented event in the history of the Olympic movement). Nevertheless, the candidacy of Los Angeles was not approved, and there were several serious reasons for this.

Taking advantage of the lack of competition, Los Angeles tried to set its own financial and other conditions for preparations for the games, which were contrary to the rules of the IOC and Olympic traditions. With a view to these difficulties, the IOC passed a resolution only on the "tentative scheduling" of the games in Los Angeles "on the condition that it sign a contract in accordance with Olympic rules and in a format approved by the IOC prior to 1 August 1978.... If this kind of contract is not signed by 31 July 1978, the right to hold the games, which has tentatively been awarded to Los Angeles, will be canceled and a new competition for cities will be announced."²

The IOC's firm stand was supported by international sports federations, which unanimously demanded that "Los Angeles accept and observe all of the rules in the Olympic Charter."³

A final decision on the matter was delayed and deadlines were postponed. In a letter circulated among the IOC members, its president, Lord Killanin, reported that Los Angeles had been informed that there should be no "excessive commercialization" of the games and that they would have to be conducted "in complete accordance with the Olympic Charter." J. Carter, who was then the President of the United States, hastened to the aid of the organizers from Los Angeles. In a letter dated 30 August, he expressed the hope that the IOC would approve the choice of Los Angeles.

Finally, after prolonged negotiations, procrastination and stubborn bargaining, the two sides reached an agreement and the appropriate documents were signed in the White House on 20 October. Los Angeles became the official organizer of the 23d Olympic Games of 1984.

However, the IOC had good reason to worry about "excessive commercialization" and its effects on the games in Los Angeles. Later events confirmed this.

The financing of preparations for the Olympic Games has always been a determining factor in the success of the competitions for all organizing countries, regardless of their socioeconomic and political structure. The experience in the organization of games in the postwar period proved that the most typical and prevalent form of financing for the Olympics is cooperative funding, in which the partners are the state (or government), local authorities, the business community and the organizing committee, which carries out its own economic program to promote the success of the games. Of course, the degree of participation by each partner depends on the socioeconomic peculiarities of each country. This system reflects the incentive and willingness of the government and the public to unite their efforts and resources for the best possible organization of the noble celebration of the world's young athletes and to share the responsibility, moral and otherwise, with organizers for the success of the celebration.

Socioeconomic conditions are naturally the deciding factor in the choice of a financing system. The fact that the Los Angeles Olympic Organizing Committee (LAOOC) chose its own system to finance the games was not objectionable in itself. The winter games in Lake Placid in February 1980, however, made the world's athletes seriously concerned about the games in Los Angeles. The organizational and technical defects which were discovered there, the extremely uncomfortable accommodations for the athletes (in prison cells!), the absence of the necessary transportation services and, finally, the domination of the games by advertising were all cause for worry.

Furthermore, one of these issues was particularly disturbing. This was, of course, the excessive commercialization of the winter Olympics in Lake Placid, the organizers of which signed sponsor contracts for the "Olympic advertising" of more than 400 items--from cars to soft drinks. When the national Olympic committees of the European countries gathered for their general assembly in London in fall 1980, they issued a special appeal to the organizers of the Los Angeles games in which they stressed the danger of the commercial influence on the games. The athletic community was deeply upset by the system of financing chosen by Los Angeles. Why?

Here are the comments of LAOOC President Peter Huberrot, who is, incidentally, the owner and manager of a large travel agency: "This will be the first Olympics conducted and financed by the private sector."⁴ City and state authorities--Mayor T. Bradley and Governor E. Brown--quite definitely announced that they had no intention to invest public funds in the preparations for the Olympics. The federal government took a similar stand. Therefore, the organization and financing of the Los Angeles Olympics were left almost entirely in the hands of "independent business." Peter Huberrot was telling the truth: There has been no games like these in the history of the Olympic movement.

And this is not all. The principle of total reliance on the private sector is being advertised strongly to the Americans. The executive vice president of the LAOOC, Gary Asher, said: "We are giving the international spirit of the Olympic

movement a new dimension: With our system of financing, the games could be held, for the first time in history, even in countries which are still maturing."⁵ Chairman Paul Ziffren of the LAOOC Board of Directors agreed: "We in Los Angeles are setting a number of precedents which, in my opinion, could have an important impact on the organization of future games."⁶

As we can see, this "precedent"--the financing of the games by "independent business"--is already, 2 years before the event, being depicted by the organizers from Los Angeles as a universal model, particularly suitable for the developing countries.

At the basis of this financing system lie three main sources of funds.

The first is the income from the sale of television rights; the specifics of these transactions will be discussed below. The second is the widespread commercial licensing activity in which sponsor contracts with major corporations play the leading role. The last is the customary income from the sale of tickets to the events.

The contract signed by the organizers with the ABC television company for the right to televise the games in the United States amounts to a colossal sum--225 million dollars. Contracts with foreign television companies will also bring large sums: For example, around 20 million dollars from the European Television Broadcasting Union and 10.6 million dollars from the Australian television company owned by newspaper magnate Murdock. In all, the organizers expect to earn about 275 million dollars from the sale of television rights.

Sponsor contracts are expected to produce around 120 million additional dollars. In contrast to the organizers of the winter games in Lake Placid, the LAOOC is not bothering with trifles, preferring to sign contracts only with large monopolies. They include Coca-Cola, General Motors, Cannon, McDonalds, Levi Strauss, United Airlines, United California Bank, Atlantic Richfield and others. The right to become "official sponsors" of the 1984 Olympics and, consequently, to derive substantial income from the games has been granted to a few companies--only around 30 of the most "solid, reliable and carefully chosen" companies, as the organizers assert--the firms and corporations which have proved to be committed to the development of sports.

The organizers plan to sell at least 5 million tickets to the Olympic events. The cost of the tickets has not been set as yet. The organizing committee has promised that it "will be comparable to the cost of tickets to similar sports events in the United States."

By doing this, the LAOOC plans to not only cover all the expense of the games but also to derive around 21 million dollars in profit, which is supposed to be invested in sports. After assuming the status of a "private non-commercial corporation," the LAOOC has acted according to all the laws of private enterprise: maximum profits and minimum expenditures.

The reliance on "independent business" is having a noticeable effect on all the preparations for the games, and this will most certainly affect the way in which they are held and the entire atmosphere of the Olympics. After all, it is no

secret that the commercial firms that are signing all of the sponsor agreements and other contracts are not doing this to be charitable. "The corporations welcome the opportunity to become associated with something as clean, wholesome and patriotic as the Olympics.... But you must guarantee that all investments produce a good return"--this is how the motives of the sponsors were explained by one of the administrators of the commercial program of the games in Lake Placid. This "association," according to businessmen, can be effective if it is given the appropriate coverage by the mass media, especially television. This gives the corporations a good reputation and guarantees them profits, just as any other skillful advertising.

After paying an exorbitant price for its contract with the organizers, the ABC television network is now engaged in the profitable sale of commercial time to corporations. The cost of 1 minute of advertising during the Olympic broadcast is 430,000 dollars. Of the total 210 hours of broadcasting, just 9 hours of advertising at this price will cover the expenditure of 225 million dollars. Any increase in advertising time over these 9 hours will produce a profit.

As we know, the commercial reputation of any self-respecting television company depends largely on its rating--the number of people watching a program, which gives advertisers an idea of how many potential customers their commercials are reaching. It is quite understandable that the maximum number of viewers can only be achieved in the evening ("prime time").

It is not surprising that ABC, which accounts for the lion's share of LAOOC financing, wants to have a say in the scheduling of Olympic events. In 1976 the same company tried to talk the organizing committee of the Montreal games into holding the opening ceremony and the gymnastic finals in the evening, at a time convenient for American advertisers. In 1980 it asked the organizers of the winter Olympics in Lake Placid to start the hockey game between the USSR and the United States at 20:30 hours instead of 17:00. All of this was necessary to raise the rating. The interests of sports were relegated to a secondary position.

This time the scheduling problem was particularly complex. During the talks between the organizers of the games and the administrators of international sports federations in February of this year in Los Angeles, the latter insisted on a schedule completely in the interests of sports and athletes. Thomas Keller, the president of the International Federation of Academic Rowers, expressed the opinion of the entire federation when he said that "the athletes are our main concern. This is more important to us than the television schedule."

In connection with this, the LOS ANGELES TIMES reported that "changes in the scheduling of events will create chaos for ABC, which would like to schedule most of the events in the evening. But Keller announced that he does not want any repetition in Los Angeles of such incidents as the hospitalization of the 80 rowers who lost consciousness on the last day of the competition at the 1968 games in Mexico."⁸

Smog, a phenomenon characteristic of Los Angeles, and its effect on the health of athletes taking part in physically strenuous competitions are discussed at all meetings of international and national athletic bodies.

A book by an expert on athletic medicine from Redlands University (California), William McCafferty's "Air Pollution and Sports," was published at the end of last year. The author insisted that competitions should be scheduled for the early morning or late evening to avert unfortunate incidents and also advised the planning of countermeasures in the event of a smog alert on the days that competitions are scheduled. An LAOOC spokesman acknowledged the accuracy of W. McCafferty's warnings, but commercial interests are still being given priority. The LOS ANGELES TIMES reported that "strong pressure" is expected from ABC and overseas television companies to achieve the scheduling of events at the most convenient time for them, regardless of how this might affect the health of the athletes.

McCafferty himself did not live to see the publication of his book. He was killed, according to a report in the LOS ANGELES TIMES, by a mugger. His friends and colleagues were able to publish the book, but in Springfield (Illinois), and not in California.⁹

Whereas McCafferty's book directed attention to the effects of the ecological crisis on the health of athletes, his tragic death was a further reminder of the high crime rate in Los Angeles.

"For Americans, Los Angeles is the capital of permissiveness, where entertainment is regarded as the main purpose of life, and everything else is secondary. Los Angeles is a trend-setter. But the city is also the leader in terms of the number of nervous breakdowns, divorces (10 for each 12 marriages), suicides, automobile accidents, perverts, alcoholics and drug addicts.... Everything here is controlled by at least 125 gangs. They find most of their new members among the unemployed"--this is how Italian journalist Gianni Perelli described the capital of the Olympic Games in EUROPEO magazine. The problem of security in the Los Angeles Olympics is acquiring primary significance for participants, guests and journalists.

According to the reports of the LAOOC and the American press, some measures to maintain security and order at the time of the games are being taken, although, for completely understandable reasons, they are not being publicized as widely as, for example, the sponsorship activities of McDonalds or Levi Strauss. The biggest complication in the resolution of security problems is financing. In view of the fact that city and state authorities are not planning to invest funds in the preparations for the Olympics, concerned municipal organizations have had to resort to all types of maneuvers. In January of this year, the Los Angeles Police Department announced that the security of the city and of the Olympics was being threatened by criminal elements who had supposedly been sent over expressly for this purpose from the Soviet Union...posing as emigrants.

The police department's insinuation, which is completely in line with the official anti-Soviet hysteria in the United States, was calculated to make additional funds available for the repulsion of the "Soviet threat."¹⁰ The municipal administration quite accurately viewed this sensational statement as an attempt to "force open" the public treasury. The chairman of the municipal police commission, R. Tooley, accused Chief of Police D. Gates of "arousing fear" among the population in order to acquire new allocations for the department. Commenting on the statement cited above, she said that "there is no proof and no grounds" for this kind of extortion, and in general, "this is not the way to increase the budget."¹¹

Gates had to back off. When he was asked directly whether the police had any valid information about Soviet plans for "criminal terrorist activity at the Olympics," he had to admit that this was not true. "We have enough of our own criminals,"¹² he added in a fit of temper.

In the search for funds to support security measures at the games, a bill was introduced in the California State Legislature to raise the rates of the Coliseum parking lot, which will be used by spectators at the time of the opening and closing ceremonies and the track and field, boxing and swimming competitions. The parking lot can accommodate 6,000 vehicles, and raising the rate for each space to 20 dollars could cover the cost of police patrols during the games. But the press immediately recalled Governor Brown's promise that "not one dollar" deposited in the state treasury by taxpayers would be used to pay for the Olympics.¹³ Considering the fact that local elections will be held in California this fall, it is quite understandable that any move to break promises and display designs on the voters' wallets could be dangerous.

The issue of security at the games is still an unsettled matter and a legitimate cause for worry.

When the LAOOC made a progress report on its work to an IOC session last October, it stated: "The LAOOC has a certain advantage over other organizing committees because the 1984 games could be held without much additional construction. This means that we can concentrate on serving the athletes instead of getting involved in large-scale construction projects."¹⁴

It is true that the LAOOC is building only three new sports facilities with the funds of Olympic sponsors--an outdoor swimming pool, an outdoor bicycle track and an auditorium for heavy athletics. The city's "certain advantage," however, consists in the fact that competitions will be held in around 10 cities in Southern California, which are usually regarded as suburbs or satellites of Los Angeles (Anaheim, Pomona, Long Beach, Pasadena, Fullerton, Santa Monica and others). The athletes living in Olympic villages (there will be three in all, including a couple at the University of Southern California and the University of California) will constantly have to travel dozens of miles, spending precious time on bus trips on heavily traveled city streets and in hot weather, to get to training and competition areas.

The heads of the international sports federations who met in Los Angeles in February expressed their dissatisfaction with this situation. At a press conference, the abovementioned T. Keller said that representatives of several federations had encountered serious transportation difficulties during their inspection tours of the sports facilities. The one-way trip, he said, should not take more than an hour, and the federations have consented to an hour and a half at most, but any longer trips would be injurious to the athletes and could affect the results of the games.

Transportation problems, the long distances between sports facilities and their distance from the athletes' living quarters are a result of attempts to economize on the construction and rental of athletic facilities.

The degree to which the "economization" of the organizers is affecting the conditions of competition is attested to, for example, by the LAOOC's refusal to allocate additional funds for the erection of a permanent scoreboard, press boxes and facilities for equipment on the new cycle track, although these will be necessary after the Olympics as well as during them. Incidentally, this is the only cycle track in the United States.

In line with tradition, international federations hold congresses during the games to discuss the most important aspects of their activity and hold elections for administrative and technical bodies. The international federations have always been given the necessary assistance in holding these congresses. But the organizers of the games in Los Angeles have refused to give them this kind of assistance. They have even refused to pay the traveling expenses of the international judges of the games.

The heads of some international federations have commented on the incompetence of organizing committee personnel. The LAOOC sent many sports organizations brief dossiers on the people responsible for the preparations and conduct of competitions in various sports (commissioners). What most of them have in common is that they played football in school and are now businessmen. Few of them specialize in organizing competitions in Olympic sports. And there are probably not many of these in Los Angeles. After all, no major international competitions of this type have been held in the city since the 1932 Olympics. The membership of the organizing committee somehow suggests the distribution of cushy spots after the change of administrations. For example, some of the sports commissioners are former heads of the Reagan-Bush campaign, the owners of professional clubs and hotels, attorneys and even a clergyman whose parishioners included Ronald Reagan until just recently.

"Unfortunately, the words of organizing committee heads are often inconsistent with their actions. I think it is a great pity--this inexperience and incompetence," said President Yu. Titov of the International Federation of Gymnasts after his trip to Los Angeles.

General Secretary Massimo della Pergola of the International Association of Sports Writers, said: "Unfortunately, the U.S. National Olympic Committee has played virtually no part in the preparations for the summer games of 1984. The main role is being played by the organizing committee, which is concerned primarily with commercial matters.... One thing is clear: These will not be simple games and they will be very expensive. Prices in Los Angeles, including hotel rates, are quite high."¹⁵

"The Olympic Games in Los Angeles are becoming the most commercialized of all non-commercial undertakings. Or, if you like, the most non-commercialized of all commercial undertakings." This is how the games were described by the American magazine SPORTS ILLUSTRATED,¹⁶ which certainly knows what it is talking about.

It is clear that the intense commercialization of the games is undermining the humanitarian basis of Olympic sports and is causing people to forget the noble Olympic ideals and to adopt the practices and morality of professional sports. Business has a more pernicious effect on sports in the United States than in any other country.

The Olympics celebrate the young athletes of the world, and participation in the Olympics is the dream of every athlete from every country and an honor for every athlete. Nevertheless, they have a special meaning for U.S. athletes. Of course, as they say, even the walls help those who perform "at home" but this also imposes an additional responsibility. In addition to this, the games in Los Angeles will serve American sports as a kind of test of the changes made in the games since the Montreal Olympics.

At that time, in the 1970's, the performance of American Olympic teams was subjected to pointed criticism by the public and the mass media. The failures of American athletes in the Munich and Montreal Olympics (and this is precisely how their performance was described in America) became the topic of heated debates, mutual accusations and complaints about America's "Olympic family." The main culprits for the decline of U.S. prestige in the international sports arena were considered to be the heads of national amateur sports organizations, especially the National Olympic Committee (NOC) and Amateur Athletic Union (AAU). A commission appointed by President Ford analyzed the state of amateur sports, and a law on amateur sports, based on the commission's recommendations was passed by the Congress and approved by President J. Carter in 1978.¹⁷

The measures taken in line with this law considerably strengthened the principle of the "vertically integrated system" in the organization of amateur sports, within the framework of which the role and significance of the Olympic Committee were enhanced dramatically. New national organizations were formed in 1979 and 1980 for various sports to develop these sports on the national level and to strengthen American representation in international sports federations.

The AAU, which had represented U.S. interests in a number of international federations for many decades, had to transfer its authority for international representation in track and field events to the Athletic Congress, and for swimming and diving to the U.S. Water Sports Organization. The declining role of the AAU, whose desire to retain, to some degree, the amateur nature of American sports was fiercely criticized, is symbolic.

"As far as the management of track and field events is concerned, the AAU is dead.... This is a wonderful change--and for the better. Let us rejoice!"¹⁸--TRACK AND FIELD NEWS, an active and confirmed opponent of "the long outdated law of amateurism" and advocate of "open" sports in general and track and field in particular, welcomed the "changing of the guard" without concealing its joy.

The federal law put an end to the conflict of long standing between the AAU and the National Collegiate Athletic Association (NCAA), which, according to the common opinion of the American public, diminished U.S. competitive potential in international sports and was one of the main reasons for the Americans' failures. Although this conflict is now a thing of the past, its deep-seated causes have not disappeared. These causes could give rise to new conflicts, which could involve new and old athletic organizations.

One reason for conflicts could be the constant struggle in the American athletic movement for the total legalization of the financial compensation (in the most diverse forms) of athletes for participation in competitions, for the results of

competitions and for participation in commercial advertising with the retention of their "amateur" status and their right to participate in international competitions, including the Olympics. If we call a spade a spade, this means the professionalization of sports, including the Olympics, and the transformation of the Olympics into "open" games for professionals and amateurs, which would be an obvious departure from the basic principles of the Olympic movement. The commercialization of American sports is doing much to promote the development of these tendencies.

Another reason for conflicts is that, in spite of the stronger role and significance of national organizations in charge of various sports, their development and the training of athletes are actually controlled largely by the same "multi-field" organizations (the NCAA, NAIA, NUCAA, NFSHSA and AAU) which have held their own national championship events in many sports. For example, in addition to the abovementioned organizations, the Track and Field Federation and Track and Field Association, engendered by the NCAA as its "affiliates" in the struggle against the AAU, are managing the development of track and field events. To make the picture complete, we should also mention the Association of Long-Distance Runners, the Association of Track and Field Athletes, the Association of Marathon Directors and various associations of trainers. Even this is probably not a complete picture of the "track and field pluralism" in the United States. All of these organizations have their own rules, charters, traditions and beliefs about the development of sports, and they do not want to give up any of them.

In spite of all this, it must be said that Olympic sports in America are divided de facto into popular and unpopular sports, or, in other words, into commercially profitable sports (and, consequently, sports of interest to sponsors) and commercially unprofitable sports, which are of no interest to business, despite their "wholesomeness and patriotism." A similar watershed can be found even within some sports. For example, long-distance running can be categorized as a mass sport in present-day America both in terms of the number of competitors and in terms of the number of spectators. Firms manufacturing running shoes and other athletic equipment are eager to finance mass marathons, and their winners receive monetary prizes of 10,000-15,000 dollars from these firms. The press gives these competitions extensive coverage, providing the sponsors with advertising. Hammer and discus throwers have a completely different status. Opportunities and, of course, the size of prizes are quite different here. Advertising disks and hammers is not good business.

It is obvious that the "vertical integration" of all these various organizations in a single harmonious and effective system would be an extremely complicated matter. The American National Olympic Committee, which bears most of the responsibility for the cooperation and coordination of all links of the Olympic movement in the nation, has an extremely difficult task to perform.

In the years after the Montreal games, the NOC instituted a number of measures for the further development of the major types of sports and the promotion of others (the commercially unprofitable ones), strengthen the material base of the Olympic movement, develop technological and medical support for the training of athletes, and so forth.

For the first time in history, American sports under the NOC aegis began to hold national sports festivals and major nationwide undertakings which included competitions in many Olympic fields. An Olympic training center operates year-round in Colorado Springs for the training of athletes and the advanced training of coaches, medical personnel, psychologists and administrators participating in Olympic training. This is also where the Olympic Academy meets to discuss various matters connected with sports and the Olympic movement. Many national sports organizations have chosen Colorado Springs as the site of their headquarters, and this has done much to create an atmosphere of unity and cooperation among the organizations making up the national Olympic movement.

Of course, all of this requires huge additional allocations and a search for constant and reliable sources of financing. However, the financial base of NOC activity consists mainly of revenues from sponsor firms and corporations and voluntary contributions.

The more or less permanent sponsors of American sports, operating on the basis of contracts, include Anheuser-Busch, Miller Brewing, Coca-Cola, Pepsi-Cola, Ford, General Motors, Philips Petroleum, Levi Strauss, Arena, Burger King and other firms. The identification of a corporation with the wholesomeness and patriotism of the Olympic movement is convenient for the creation of a "socially responsible" corporate image. But this is not all that appeals to big business. With the aid of sponsor agreements, the corporations can reduce the costs of their advertising because this kind of transaction is tax-deductible.

The American NOC is carrying out a broad program for the solicitation of contributions directly from the public, employing a carefully planned system of diverse advertising and propaganda measures for this purpose. For example, the number of financial contributions to the NOC doubled after the Montreal games, and by 1980 the total sum had reached 10 million dollars. Volunteer groups responsible for the organization of fund-raising campaigns for the NOC are operating in each state. Income is also derived from licensing activity, including the sale of the right to use the Olympic symbol for advertising purposes to small firms producing souvenirs, ties, various articles of outerwear and haberdashery items.

The NOC periodically collaborates with large corporations on commercial advertising contests with monetary and material prizes. In 1978 this kind of measure was conducted jointly with the Japanese Toyota automobile corporation, from which the NOC collected 1 million dollars.

The reinforcement of the material and financial base of the Olympic movement and the increasing cost of preparations for the games are apparent from the following data: The preparations for the 1960 games in Rome cost the American NOC only 53,000 dollars, the games in Montreal cost 3 million (with a total budget of 13 million) and the games in Moscow cost 12.5 million (with a total budget of 44 million). These indicators do not include the cost of athletic training financed by other national organizations (the NCAA, AAU and others).

William Simon, secretary of the treasury in the Ford Administration, influential politician and businessman and Ronald Reagan's economic adviser in the 1980 campaign, was elected president of the NOC for the 1981-1985 period.

In the August 1980 issue of THE OLYMPIAN, the official NOC organ, we find the following policy statement: "In today's world of tension and mistrust, a show of U.S. strength in all sports is necessary for the reinforcement of our relations with many countries for which U.S. strength in Olympic competitions is a measure of national character. The 1956 and 1960 Olympics clearly showed that the United States could no longer rely on its superiority in a few sports to win international prestige in the area of amateur sports. The Soviet Union's purposeful movement for leadership in all areas of the Olympic program and the emergence of Germany (in 1956 and 1960 athletes from the GDR and FRG performed as a joint team by a decision of the IOC--R. K.), Poland, Italy, Australia, Hungary, Great Britain and Japan as top-level contenders pursuing the same goal have put a new perspective on the matter."¹⁹

This is an excerpt from the official report of the American NOC on the 1960 Olympics. The very fact that this text was reprinted after 20 years testifies that the political and athletic objective of the NOC has not been forgotten but is even more pertinent now that preparations are being made for the games in Los Angeles. The "Olympic time-out," when President J. Carter did not allow the Americans to attend the games in the USSR, is energizing the preparations for the Los Angeles Olympics and is giving rise to a desire for "revenge."

The stronger dependence of the American NOC and Olympic sports on the private sector of the American economy and the implementation of athletic training programs on the basis of sponsor agreements and voluntary contributions are a less than reliable guarantee of the balanced and thorough development of the athletic movement in the nation.

The leaders of the national Olympic movement are aware of this. "We do not have many alternatives. Do you want sports to be totally subsidized by the federal government and lose control over sports as a result? Or would you prefer to retain the system of free enterprise in sports?"--This is how Executive Director D. Miller of the NOC worded the question at the end of 1979.²⁰

As far as the first alternative is concerned, D. Miller could not know that the White House would launch an unprecedented campaign of economic, political and psychological pressure 2 or 3 weeks later to make use of national Olympic sports in its own political maneuvers and to force the NOC to boycott the Moscow Olympics. But he was wrong: Even without federal subsidies, sports turned out to be subordinate to politics. The NOC's decision not to participate in the Olympic Games in Moscow was contrary to the interests of American athletes, caused the decline of the international prestige of the NOC and dispelled its illusions about its own independence and apolitical nature, which it had nurtured and cherished.

We have already discussed the other alternative Miller mentioned. The dependence of sports on commerce in the United States is truly unprecedented.

The games in Moscow were a triumph of the international Olympic movement and gave new momentum to the development of its noble principles. Now the world is awaiting the new games in Los Angeles.

FOOTNOTES

1. OLYMPIC REVIEW, November-December 1974, p 589.
2. Ibid., June 1978, p 357.
3. Ibid.
4. LAOOC NEWS RELEASE, 4 August 1980.
5. NEWSLETTER OF THE 1984 OLYMPICS, June 1981.
6. BULLETIN OF THE 1984 OLYMPICS, 1981.
7. SPORT, July 1979, p 32.
8. LOS ANGELES TIMES, 5 February 1982.
9. Ibid., 22 January 1982.
10. Ibid., 23 January 1982.
11. Ibid., 25 January 1982.
12. Ibid.
13. Ibid., 13 March 1982.
14. "Second Official Report of the Organizing Committee for the Games of the XXIII Olympiad," 1 October 1981, p 5.
15. SOVETSKIY SPORT, 22 April; 28 April 1982.
16. SPORTS ILLUSTRATED, 20 October 1980.
17. For a more detailed discussion of the activities of the commission and its recommendations, see "The Olympics and Sports in the United States" (SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 11, 1979).
18. TRACK AND FIELD NEWS, December 1979, p 47.
19. THE OLYMPIAN, Vol 7, No 2, 1980, pp 27-28.
20. THE NEW YORK TIMES, 13 December 1979.

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WHITE HOUSE CRUSADE AGAINST INTERNATIONAL COMMUNITY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 82 (signed to press 20 Sep 82) pp 52-57

[Article by V. L. L'vov]

[Text] Ever since the Reagan Administration took power in the United States, there has been increasing evidence of a turnabout in American foreign policy in the direction of confrontation with socialism, and especially with the USSR. The outlines of a military-strategic program, colossal in scale, indicating the U.S. leadership's intention to put the approach "from a position of strength" at the basis of its long-term policy on relations with the USSR and return American-Soviet relations to the dangerous state of the cold war era, are becoming increasingly evident. Washington is borrowing the cardinal principles of cold war policy, particularly the principles of the notorious policy of "containing" and even "throwing back" communism, which dates back to the late 1940's and early 1950's and which represented a comprehensive program for the subversion of socialism's internal and international influence. The Reagan Administration obviously does not want to reconcile itself to the fact that the United States has lost its monopoly on nuclear weapons (strategic parity between the United States and the USSR has existed for almost a decade and a half now) or to the fundamental changes that have taken place in the world arena in general.

As we know, a distinctive feature of the policy of "containment," in line with other cold war theories, was the emphasis on the simultaneous creation of a great variety of factors of strength in all areas and at all levels of confrontation. It is precisely in this spirit that the aggressive preparations of the United States and its NATO allies are being conducted. The Reagan Administration is engaged in the intensive buildup and modernization of strategic nuclear potential, is preparing to deploy new medium-range missiles in Europe and is augmenting the military potential of its allies and of anticommunist regimes in various parts of the world in order to create an anti-Soviet "balance of power" and to achieve military superiority.

In accordance with the class policy of "containing communism," the intensive exertion of pressure on socialism's positions was supplemented by subversive activity, "psychological warfare" and economic pressure. These features of the "containment" strategy were also reflected in the anti-Soviet propaganda campaigns launched by U.S. ruling circles, in the policy of economic "sanctions" and in flagrant intervention in the internal affairs of several socialist countries.

Finally, the authors of this strategy did not even exclude the possibility of dropping an atom bomb on the Soviet Union as an "alternative way" of attaining their goals. This integral element of the strategic thinking of the cold war's instigators was formulated in its entirety on the conceptual level and was embodied in Washington's actual behavior. The old principle of nuclear blackmail against the USSR was stated in its purest form by high-level NSC staffer R. Pipes last spring when he said that the Soviet Union "will have to choose between changes in its internal system, according to the West's instructions, and war." The basic premises of the new U.S. nuclear strategy also correspond to this line of thinking. This strategy is aimed, as PRAVDA commented on 3 June, at "protracted nuclear war" against the USSR, the guaranteed destruction of "nuclear and non-nuclear armed forces and industrial facilities" (on the territory of the USSR and its allies-- V. L.) and, eventually, the "destruction of socialism as a world system."

Rabid anti-Sovietism, aggressiveness and hostility toward world socialism have been particularly apparent in some recent statements by American leaders. This May President Reagan published a new foreign policy directive which, as the PHILADELPHIA INQUIRER commented, "signals an economic, political, diplomatic and propaganda attack on the Soviet Union and its influence throughout the world." In other words, it sounded the alarm for global confrontation with the socialist countries and with all progressive forces, including the international communist, workers and national liberation movement.

The news of this directive leaked to the press and bewildered several American correspondents because it was in such sharp contrast to some of Ronald Reagan's statements about the U.S. "interest" in the normalization of international affairs. His speech in the English Parliament on 9 June 1982, in which he, like W. Churchill in his 1946 speech in Fulton, divided the world into noble "democracies" and evil "totalitarian states" and announced a "crusade for freedom," proved that his administration had openly taken the odious stance of frenzied anticommunism and had given the line of confrontation with socialism global dimensions.

When we compare the two periods during which U.S. ruling circles have subscribed to the principle of the policy of "containing" and "throwing back" communism, it is easy to see that this was preceded in both cases by substantial changes in the world arena, interpreted in the United States as a challenge to the American vision of "world order."

In the first case (the 1940's and 1950's) this strategy was adopted in connection with a pronounced change in the balance of forces as a result of World War II. At that time the United States, which had accumulated much of the potential of the capitalist world, intended to use its unique capability (atomic monopoly) to eliminate the factor standing in the way of its plans to build the postwar world in line with the idea of the "Pax Americana."

Now Washington has returned to the postulates of "containing" and "throwing back" communism in connection with the beginning of a new stage in the struggle between the two systems, now that the continuation and acceleration of the objective process of sociopolitical changes of an anti-imperialist nature have become

clearly evident in the atmosphere of the approximate balance of forces. This factor smashed the American concept of international detente, which presupposed, in addition to a certain willingness to solve some important problems in international relations, the stabilization of the sociopolitical status quo, the regrouping of imperialist forces and the eventual change of the status quo in favor of imperialism by means of the vigorous use of various means of primarily "non-forceful" (economic, political and ideological) pressure on socialism.

Therefore, in both cases the motive for the advancement of the principles of "containing" and "throwing back" communism was the fear that the conditions with which American imperialism associates its hopes of creating a world order where it would be guaranteed the leading position might be undermined. The fact that American imperialism has again openly announced its adherence to the old expansionist, anticommunist goals after all this time and all these profound changes in the life of the international community and has put individuals who have demonstrated their adherence to the policy of dealing "from a position of strength" in top positions testifies that people who are still unwilling to accept existing realities in the world arena and the principal trends in their development still have considerable influence in U.S. ruling circles. Under the conditions of the current return to policy "from a position of strength," the old reactionary dream of world hegemony, which has never left the minds of reactionary forces since the war, is becoming the officially declared strategy of the United States. A clear reference to this strategy was made in a speech by W. Clark, the U.S. President's national security adviser, in Georgetown University's Center for Strategic and International Studies on 21 May 1982. He mentioned "the establishment of an international order on whose support American institutions and principles can rely" as a strategic goal and stressed that U.S. interests are of a "global nature," that the United States "has vitally important interests throughout the world" and so forth.

The overt or covert presence of the utopian hope of creating an international system of states under U.S. control in all American postwar foreign policy concepts without exception constitutes the main source of problems in East-West relations. The current stage in the U.S. confrontation with the realities of world development which undermine its hegemonistic plans could be particularly dangerous because U.S. imperialist circles have reached the point at which their inability to counteract natural changes in the world arena, both through confrontation with socialism or under the conditions of detente, has been fully revealed. The realization of this fact has caused imperialism to resist the new world order by trying to revive some postulates of "containment" and even the policy of "throwing back" communism. These vigorous attempts by the United States to counteract objective changes in the world arena have created an explosive international situation, which, as L. I. Brezhnev remarked, "gives us cause to worry about the future development of international relations."

It is obvious that the safe and harmonious development of international relations will depend directly on the recognition by all states of the realities of the objectively determined world order. Today's American leaders object to this alternative, maintaining (as the leaders of the Truman Administration once did) that if international changes are not resisted and if the Soviet Union is not

"contained," the United States will sooner or later be surrounded by a hostile world and its "vital interests," "national security" and very survival will supposedly be in danger.

Is the mainstream of international life endangering the existence of the United States as a capitalist state or is it simply working against imperialist plans for the achievement of American hegemony in the world arena? If we examine the present state of affairs, resulting from the fundamental changes in the balance of forces in the world arena, from the vantage point of U.S. foreign policy strategists of the beginning of the cold war era, we could assume that the threat to the existence of the world capitalist system and to the United States itself should have reached the critical point long ago. All we have to do is remember that the authors of the key document of the period when the "containment" policy prevailed during the early stage of the cold war--Directive NSC-68--regarded the probability of much more modest changes in the balance of forces than those that actually occurred as something just short of a catastrophe. But what really happened?

Under the influence of the immutable laws of historical development, a much more democratic international system of states took shape objectively, with "built-in" prerequisites for the safe coexistence and development of all of its members. There was a transition from the "polarization" of forces at the beginning of the postwar period to the more equal distribution of factors of strength and political influence, new "centers of power" sprang up in the capitalist world, and the developing states, which had escaped the colonial yoke and acquired the status of full members of the contemporary international system, began to play a much more important role.

During the postwar years the economic, political and defensive positions of socialism have grown immeasurably stronger, its international influence has increased, and this has played the decisive role in safeguarding international security. The socialist community of states has become a powerful factor of peace, effectively deterring imperialism's aggressive plans. The advocates of cold war and the policy of "containment" are trying to imply that the establishment and development of socialism and the world revolutionary process are evidence of the Soviet Union's selfish intentions to spread its military and political influence and undermine the vital interests of the Western states. Postwar history, however, has completely refuted these lies. The USSR has repeatedly demonstrated, by its policy and actions, that it has never had any intention of threatening the vital interests of any state, it has never had designs on the territory of others and it has never wanted to destabilize the internal situation in any country. The love of peace which emanates from the very essence of the socialist order has been clearly reflected in the Soviet Union's struggle to consolidate the process of detente, alleviate the threat of war and curb the arms race. "The ascription of any kind of insidious plans to the Soviet Union in Europe, Africa or the Middle East or against the United States is nothing more than an unscrupulous means of political struggle," L. I. Brezhnev said. "This has no relationship to the truth."

Historical experience has shown that the growing popularity of socialist ideas in the world does not lead to Soviet "military and political expansion," as the theorists of "containment" wrote, but to the appearance of new sovereign states building a classless society in accordance with their specific national features

and to a variety of forms of socialism. The establishment of the worldwide socialist system in the postwar period demonstrated that this objective process has nothing in common with the lies about the "strategic plan" supposedly worked out in Moscow to undermine Western security.

The evolution of world development, therefore, is leading to the formation of a more stable, secure world order. Incidentally, even an analysis of declassified American documents of the 1940's and 1950's provides convincing proof that the more favorable international conditions did not take shape as a result of the aggressive and expansionist goals of the cold war's initiators, but in spite of them.

Now that the possibilities for pursuing imperialist policy from a position of strength, diktat and the satisfaction of the interests of some states through the restriction of the interests of others are being limited more and more, certain principles of relations are taking shape and are allowing the contemporary international system of states to function effectively. The economic, political and security interests of each member of this system will be honored only if all members recognize the equality of others, give up hegemonistic ambitions, adhere undeviatingly to the policy of non-intervention in internal affairs, determine their place in international division of labor and become actively involved in comprehensive international cooperation for the resolution of economic, political, social and ecological problems.

The fact that the United States is encountering urgent problems, some of which can truly be regarded as vitally important, is simply the result of American imperialism's refusal to become part of this system and accept its realities and laws of development, a result of attempts to oppose this system and work toward its destruction. It is obvious, for example, that the United States' supply of oil from the OPEC countries would not have been cut off in the first half of the 1970's if it had not supported Israel's expansionism and had considered the legal interests of the Arabs; it would not have encountered the dramatic rise in the price of this raw material if it had agreed to establish equitable economic relations with the developing countries; it would not have had to cope with the growing nuclear strength of the Soviet Union if it had not been striving for military-strategic superiority; the problem of Soviet medium-range missiles in the European part of the USSR would not have arisen if the United States had not tried to change the balance of forces on this continent in its own favor, and so forth. Furthermore, with its tremendous industrial, agricultural, scientific and technical potential, the United States could play a great constructive role in today's world if it could accept it as it is; it could derive considerable benefits from international cooperation; it could strengthen its security and it could considerably enhance its prestige in the world arena. The current return to the policy of dealing from a position of strength, occurring at a time when the process of the democratization of international life has become irreversible, is, as G. Kennan, one of the authors of the original theory of "containment," stressed in his article in the 3 January 1982 issue of the BOSTON GLOBE, futile and can lead only to more tension and a greater danger of war.

This conclusion is winning growing recognition among the American political scientists with a more realistic outlook. They are pointing out the extremely negative consequences of the United States' tendency to act from a position of

strength in the most varied spheres. The numerous negative factors they cite include, in particular, the possibility of the further deterioration of the state of the American economy under the influence of the unlimited growth of military spending. This spending, as J. Chase, the editor of FOREIGN AFFAIRS magazine who recently published a book entitled "The Price of Survival," warns, "does not lead to a general rise in the level of production. It is more likely to lead to a larger deficit in the balance of payments, the growth of unemployment in civilian branches of industry and an unprecedented rise in the rate of inflation." The line of confrontation with the USSR, Chase writes, precludes an effective approach to the truly urgent issues of contemporary international life, such as the problems of nuclear non-proliferation, the shortage of energy resources, environmental protection, the creation of a new economic order, etc. "A foreign policy based on anti-Sovietism," he says, "is of no use to the United States. We are facing numerous other political problems which could have a profound effect on our vital interests--problems which either have no direct connection to our relations with the Soviets or presuppose cooperation with them."

The most serious consequence of the emphasis on anti-Sovietism and military strength in U.S. foreign policy, as almost all critics of the Reagan Administration's policy line have stressed, is the possibility that international security might be undermined, accompanied by an unavoidable threat to the security of the United States itself.

After assessing these and other dangerous implications of the current trend in the development of American foreign policy, realistic American political scientists are advising the Reagan Administration to give up the obsolete, groundless stereotypes of strategic thinking and to take a sober look at the realities of today's world. Broad segments of the peace-loving public and strong antimilitarist forces in many countries, including the United States, are appealing for a realistic approach to international issues and East-West relations.

The Soviet Union has also persisted in appealing for this kind of approach and has worked out an entire program of constructive proposals on the normalization of Soviet-American relations, the consolidation of the process of detente and the alleviation of the danger of war. As L. I. Brezhnev stressed in his message to the second special session of the UN General Assembly on disarmament, "the military-political stereotypes inherited from the days of the bygone monopoly on the atomic bomb are obsolete. Today's realities require a fundamentally different approach to questions of war and peace."

Guided by the principle of historical optimism, the Soviet Union is firmly convinced that the adventurist policy of the reactionary forces of American imperialism will eventually be surmounted and that the United States will have to admit once again that there is no reasonable alternative to the peaceful coexistence of states with different social structures.

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COCOM, THE UNITED STATES AND TRADE WITH THE USSR

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 82 (signed to press 20 Sep 82) pp 58-65

[Article by O. Ye. Tishchenko]

[Text] The latest "crusade" announced by the current White House Administration against the Soviet Union, the countries of the socialist community and forces for peace, freedom and progress throughout the world is supposed to secure the United States' long-cherished ambitions for world leadership and presupposes the use of an entire system of ideological, political, military and economic leverage. This is the policy lying behind the American Government's attempts to undermine the development of Western trade, economic, scientific and technical contacts with the Soviet Union and other socialist countries and inhibit the growth of their economic potential.

American ruling circles are striving to involve the NATO allies in their "crusade." Washington would like to make this organization more cohesive under its own leadership and force Western Europe, Japan and, if possible, other states to give up the policy of detente and the practice of productive and diversified economic, scientific and technical cooperation with Eastern Europe.

The U.S. attempts to intensify the activity of the Coordinating Committee for Multilateral Export Control, or CoCom, which have recently been particularly vigorous, should also be viewed in this context.

A prominent place in the discriminatory U.S. policy on trade with the USSR is occupied by restrictions on the sale of goods whose export, according to American legislation, "could contribute substantially to its military potential." The main argument in favor of this is still the hackneyed myth about the Soviet "military threat." The U.S. Government, realizing that these restrictions can only bring about sizable financial losses for the United States unless they are supported by other leading capitalist countries, has made a special effort to create and reinforce a multilateral system of export control to keep the Soviet Union from buying a number of Western goods we have been importing in line with the existing system of international division of labor. Washington has assigned CoCom the leading role in the implementation of this policy.

CoCom is an international organization, having no official legal basis, through which the United States and its allies coordinate their policy on the restriction of exports of "strategically important" goods to the USSR and other socialist

countries. The original proposal regarding the creation of this body was made by the United States and was discussed with England and France immediately after World War II. It was dictated by cold war interests and the desire to impede the restoration of the war-ravaged economies of the socialist countries and the consolidation of their economic potential. As Washington's anti-Soviet policy line escalated, it made more persistent attempts to involve its allies in these measures, and in November 1949 CoCom was created as a result of secret negotiations. Its status is not secured by any kind of official accord, and the nature of its activity is based on a "gentlemen's agreement."

One of the reasons for this was the American leadership's uncertainty that an accord acceptable to the United States would be ratified by other countries without substantial changes, and another was the convenience of pursuing U.S. policy under the cloak of secrecy.

CoCom began operating on 1 January 1950. Its original members were the United States, England, France, Italy, Holland, Belgium and Luxembourg. Norway, Denmark, Canada and the FRG joined in the beginning of 1950, Portugal joined in 1952 and Japan, Greece and Turkey joined in 1953. Sweden, Switzerland, Iceland, Austria and Finland did not join CoCom and announced that they would take a neutral position on the control of exports to socialist countries.¹ Therefore, CoCom now has 15 members--all of the NATO countries (with the exception of Iceland and Spain) and Japan. It is a permanent intergovernmental body which operates under NATO auspices although it is not officially part of the system of this aggressive bloc.

The headquarters of CoCom is in Paris. It is staffed by middle-level diplomatic personnel and technical experts, who make decisions on routine matters.

In view of the fact that CoCom is an unofficial organization, its members are not legally bound by its decisions. The implementation of these decisions requires the preliminary passage of national laws by individual states on the basis of these decisions, including lists of "controlled" goods and sanctions for their violation by physical and legal persons. This diminishes the effectiveness of CoCom activity considerably.

For several years the United States was able to maintain this organization simply by taking advantage of the postwar dependence of many Western countries on American assistance. At first the Marshall Plan was used as a means of economic pressure, and later this function was performed by a U.S. law passed in October 1951 on control over aid for the purpose of mutual defense, better known as the "Battle Act" (repealed in 1979 when a new law on export regulations was passed). This act envisaged an embargo on exports of "military equipment" from the United States to the USSR and other socialist countries, the regulation of the export of other goods of "strategic significance" and the curtailment of all forms of American aid to states which did not conduct the same kind of discriminatory policy as the United States in trade with the socialist countries.² The NATO membership of the United States' allies was used as an instrument of military-political pressure.

When the mutually beneficial trade of the Western European countries and Japan with the socialist states took on broader scales at the end of the 1950's, strengthening their economies, developing their science and technology and making them less dependent on the United States, Washington was left with only military-political

means of exerting pressure on its allies. The differences of opinion which had already been apparent in CoCom became more pronounced. The United States' partners were less and less inclined to follow Washington's orders in matters of trade policy. Even people in the United States itself criticized the American system of control over exports to the socialist countries (which was much broader than systems in other countries) as an ineffective practice which diminished the ability of American firms to compete with their rivals. The negative balance of payments which was first evident in the end of the 1950's and began to grow rapidly after that time (and the negative balance of trade in the 1970's) suggested the need for the maximum extension of exports as a means of increasing currency revenues for the reduction of this deficit. As a result, after long and heated debates in the Congress, the United States revised the 1949 export control act in December 1969 and reduced its national list of "controlled" goods for export to the socialist countries.³ The law which replaced it, which was passed in 1979 and is still in force, stipulates that U.S. export controls should not apply to goods the USSR can acquire in other countries.

At the same time, the United States began to pay more attention to the improvement of the "coordination" of multilateral export control with its allies. The American law of 1979 frankly states that the U.S. President should enter into negotiations with the leaders of other CoCom countries, particularly at periodic top-level meetings, to reach an agreement on a more effective procedure for the compulsory exercise of multilateral control.⁴ This U.S. policy aim has been more pronounced since the inauguration of Ronald Reagan, who was already criticizing the Carter Administration in his campaign platform for "the failure of its attempts to secure a unified approach to problems in East-West trade, giving the allies additional incentive to pursue a separate policy."⁵

The routine operations of CoCom fall into three main categories: 1. The compilation of lists of commodities and types of technology whose export to the socialist countries is prohibited. 2. Consultations on exceptions to these lists. 3. Conferences on the observance and compulsory exercise of established restrictions.

There are three lists of goods of various types, used for various purposes: a) weapons, b) equipment connected with the use of nuclear power, c) industrial equipment. The first two are lists of goods whose export is completely prohibited. As for the third list, it takes in "dual-purpose" goods, which can also be used for military purposes in principle and require a high degree of scientific input in their manufacture. This list consists of three divisions. The first is called the "international embargo" and includes goods which are not to be sold to the socialist countries unless a decision is made on an "exception" by special request from the supplier. The second list names the goods whose export is subject to quantitative restrictions and whose deliveries in excess of this limit also require an "exception." The third list is of goods which can be exported to the socialist countries "under the supervision" of a government agency in the supplier country to keep them from being used for military purposes.

The "international embargo" list mentions 10 basic categories of goods: metal-working equipment; chemical and petroleum equipment; electrical equipment and equipment for the production of electric power; products of general machine building; transport equipment; electronic and precision instruments; metals, minerals and items made of them; chemicals and metalloids; petroleum products;

items made of rubber. This list is not published but it is virtually identical to the lists published by member countries. The American list, however, is somewhat broader than the CoCom list because it also includes some goods that are not under multilateral control.⁶

The United States is constantly pressuring other members to expand their lists. At the same time, Washington periodically changes and updates its own list to preserve the ability of American firms to compete with Western European and Japanese companies. As a result, the CoCom list is also revised and updated periodically in the process of complex and lengthy negotiations. As a result of the latest revision in 1979-1980, the number of controlled groups of export goods decreased somewhat (to 125), but this does not testify to the liberalization of control because many items on the list were either expanded or updated at the same time.

Representatives from member countries meet weekly in the U.S. Embassy in Paris to consider "exceptions" to the list. This is done on the basis of requests from firms in these countries for authorization to export a particular commodity from the "international embargo" list. Government agencies from each country investigate the requests and make judgments regarding the possibility of their full or partial satisfaction. Decisions must be unanimous.

In the United States these requests are first submitted to the East-West trade division of the State Department. This division then sends them first to an interagency advisory committee on military-economic affairs, the members of which are the deputy secretary of state (chairman), the deputy secretaries of defense, commerce and the treasury and a representative from the CIA. If there are serious disagreements among these members or if the matter is particularly important, it can then be submitted to the U.S. President for a decision. This indicates that Washington attaches not only military and economic significance, but also great political importance, to these "exceptions."

During the first years of CoCom's existence, these exceptions were fairly rare and they were usually made on the basis of requests from companies in the allied countries. When East-West trade and detente developed, requests from U.S. firms began to account for around 50 percent of those submitted to CoCom. In most cases, the requests are satisfied.⁷ But the process of their investigation, particularly the requests from non-American firms, has been quite lengthy, primarily due to the complexities of bureaucratic procedure in the United States.

At the beginning of 1980 the U.S. Administration made a new attempt to establish more rigid CoCom control, using the events in Afghanistan as a pretext. The main demands it made of its allies were: strict observance of the lists, the complete renunciation of the policy of "exceptions" and the elaboration of a single, more restrictive export policy. But the allies immediately objected to these demands, and the negotiation of these matters was impeded by the presidential campaign in the United States.

Within the general context of its anti-Soviet policy, the Reagan Administration has been more active in the area of export controls. At a conference of the heads of state and government of the seven leading capitalist countries in Ottawa

(July 1981), the U.S. President demanded that his partners minimize their economic contacts with the USSR. His proposal received no support, and neither did his appeal for a refusal to participate in the construction of the Siberian-Western European Pipeline (deliveries of equipment and materials, the extension of credit and so forth). The United States was able to gain consent, however, to a high-level discussion of questions connected with trade with the Soviet Union within the CoCom framework. It hoped that this will help to give CoCom the functions of a trade policy authority. The meeting has been postponed repeatedly, however, by continuous disagreements.

Using the institution of martial law in Poland in December 1981 as a pretext, the United States imposed additional restrictions on economic contacts with the USSR and began to urge the organization of the projected CoCom session, trying to influence its outcome in advance. The meeting was held in Paris in January 1982. Here the American delegation put forth the following demands: the stricter observance of prohibitions on deliveries of "critical technology" (that is, the most important types) to the USSR, including modern computers, electronic components, semiconductors and equipment for optical scanning and various metallurgical processes; the complete curtailment of deliveries of civilian goods to the USSR which might be used for military purposes; limited participation by Western states in the erection of enterprises in the socialist countries which might be of "strategic" significance, and in the training of specialists from these countries in the operation of advanced technology, on the pretext that this could aid in the development of the Soviet military industry; the automatic submission of all contracts with the socialist countries with a cost of 100 million dollars or more to CoCom for approval in order to avoid transfers of "sensitive" (particularly important) technology and the reinforcement of Soviet military potential; the cessation of the practice of allowing "exceptions" to CoCom lists.

After this CoCom session, no official reports were published but the Western press contained a number of articles which indicated that the session did not produce the results anticipated by the United States. It was noted that other Western countries, which are greatly benefited by the development of trade and economic relations with the USSR, did not support many of the American proposals. Although a brief published joint communique described the meeting as "successful" and stated that an agreement had been reached on the need to include advanced technology on the list of goods prohibited for export, there were still many differences of opinion among the members. The United States' partners announced, for example, that they would not decline to participate in the construction of the gas pipeline from Siberia to Western Europe and in other large projects.

The Parisian MATIN noted that France is willing to participate in the "modernization" of CoCom as long as this does not affect its bilateral trade with the USSR. In this connection, the French magazine VESTNIK MEZHDUNARODNOY TORGOVLI remarked that most international jurists did not recognize any kind of normative significance in CoCom regulations and that French legislation prohibits any kind of trade discrimination. Skeptical feelings about the possibility of the institution of new restrictions within the near future was expressed in the Western European and Japanese press.

The Western press has reported, however, that a decision was adopted at that CoCom session, at the insistence of the American side, to increase the number of military specialists on the staff of this organization (up to the present time only

the United States has sent its military specialists there). After the session, the member countries began to conduct (and they are still doing this) many conferences of experts on the bilateral and multilateral levels.

On the whole, according to observers, Western Europe and Japan are more interested in trade with the USSR and will continue to oppose the U.S. demands. In turn, Washington was already working out new specific measures to institute stronger multilateral control over exports by fall 1982.

The U.S. activity in CoCom is only part of its general policy of deliberately pressuring the USSR with the aid of trade restrictions.⁸ After the January CoCom session, it exerted stronger pressure on its allies. As a result, a decision on the "need" for stricter control was adopted at the spring session of the NATO Council in Luxembourg in May 1982, and several restrictions were imposed on the development of trade and economic relations with the East.

When preparations were made for the next meeting of the leaders of the seven leading capitalist states, held in June 1982 in Versailles, the United States began to work on its allies in advance. This time special emphasis was laid on the limitation of export credit to the Soviet Union. For this purpose, the United States proposed the creation of an organization, similar to CoCom, for the regulation and control of this kind of credit. Besides this, Ronald Reagan, according to reports in the foreign press, strongly suggested once again that the Western European countries stop collaborating with the USSR on the gas pipeline. As a form of compensation, he suggested that they "reduce their energy dependence on the USSR" by participating in the working of gas deposits in the Norwegian sector of the North Sea and consider the possibility of purchasing more coal from the United States.

In Versailles, according to reports in the press, Ronald Reagan informed other participants of his latest proposals regarding broader restrictions on the sale of "strategic" goods to the Soviet Union and other socialist countries. The United States announced that the NATO members should carefully review the current list of "strategic" goods prohibited for export. Furthermore, the United States insisted that the sale of 12 types of "critical technology" should be prohibited instead of just certain goods--ranging from metallurgical processes to modern electronic systems. If this proposal had been adopted, the NATO members, according to the conclusions of the NEW YORK TIMES, would have had to automatically prohibit the export of any commodity whose manufacture is based on one of these types of technology.

The U.S. Administration's plans were resisted, however, at virtually each point of the agenda, particularly trade with the socialist countries. France's FIGARO described the contents of the communique as "politely vague." It also noted, however, that representatives from the member countries planned to work together to "improve the international system of control" over exports of "strategic" goods to the socialist states and national measures for the compulsory observance of "restrictions dictated by security interests." There was only mention of an agreement to "take a cautious approach to financial relations with the USSR and other Eastern European countries."

The question of controlling commodity and technology exports was also discussed at the NATO Council session on the level of heads of state and government in June 1982. A statement adopted at that time said, in particular, that "steps will be taken to restrict the access of Warsaw Pact countries to technology of military importance."

Therefore, the results of all these meetings were far from those anticipated by the supporters of the "tough line."

Under these conditions, a struggle broke out in the United States between the National Security Council, which demanded more intense trade discrimination against the socialist countries and pressure on American allies, and the State Department, which proposed that efforts be concentrated on the fulfillment of the Versailles agreement. The winners were the more frenzied opponents of Soviet-American trade.⁹ The result was a decision, announced by Ronald Reagan in June 1982 and adopted unilaterally, without any consultations with allies, to expand Washington's earlier restrictions on shipments of equipment and technology for the oil and gas industry to the USSR: Now the ban on these shipments extends to the Western European, Japanese and other overseas branches and affiliates of American companies and to foreign firms producing this equipment on the basis of American licenses. As U.S. Under Secretary of Commerce L. Olmer announced, violators of this decision will suffer such penalties as the curtailment of all economic operations with them, the confiscation of their assets in American banks and the arrest of the officials of these branches.

The United States is implementing this new measure "on the basis" of some of its own legal standards, with the aid of which it supposedly has the right to prevent the re-export of American equipment and technology to the socialist countries from foreign states. Furthermore, in this case, the restriction applies to goods and technology transferred by overseas enterprises under the control of U.S. capital and transfers of goods produced by foreign firms on American licenses. According to the export control regulations adopted in the United States on 1 October 1981 (sections 374 and 379), this kind of re-export operation must be authorized by the U.S. Department of Commerce, which retains its jurisdiction over these goods and investigates each case separately.

The U.S. President's decision is contrary to international law, however, and is discriminatory in content. The American legal standards referred to in the decision have been justifiably criticized even by prominent Western experts on international law, including Americans, as an attempt to legalize U.S. intervention in the internal affairs of sovereign states, particularly the United States' own allies.

The official documents adopted at a session of the EEC Council of foreign ministers and conference of heads of state and government at the end of June 1982 noted that the U.S. decision is inconsistent with the principles of international law. The documents stress that the Western trade system "would be seriously endangered by unilateral and retroactive decisions in the area of international trade, attempts to exercise extraterritorial jurisdiction and measures preventing the fulfillment of existing trade contracts."¹⁰

The governments of the FRG, France, England, Italy and several other states issued official statements in July 1982, censuring U.S. policy in this area and affirming that the national firms of these countries would continue all scheduled work on contracts for deliveries of equipment and materials for the Siberian-Western European pipeline. "No country," French Prime Minister P. Mauroy said, "should assume global responsibility when it is concerned only with its national interests." Italian Foreign Minister E. Colombo stressed in this connection that Washington's actions could "create more tension in Europe's relations with the United States." After expressing his view that these measures were inconsistent with the policy of detente, FRG Chancellor H. Schmidt said: "Confrontation is no way to secure peace."

Furthermore, the American President's decision will inflict considerable financial injury on the United States. According to the estimates of Under Secretary of Commerce L. Olmer, for example, the latest restrictions on shipments of oil and gas equipment to the USSR will cost the United States around 1.2 billion dollars.¹¹

A clear and principled assessment of the nearsighted U.S. policy on trade with the USSR was provided by L. I. Brezhnev. He said that the advocates of cold war and dangerous brinksmanship "would like to ignore all of the legal and ethical standards which have taken centuries to evolve in international relations and nullify the independence and sovereignty of states." "As far as blockades and 'sanctions' are concerned," he said, "the Soviet Union is a big country with a strong economy and rich resources. And the socialist community is even bigger. Therefore, no one should question our ability to somehow survive. But many of the countries which Washington calls its allies depend much more on foreign trade for their development. Therefore, it is not known whose interests will be injured the most by the policy of cowboy raids on international trade and normal economic contacts."¹²

The USSR has continuously adhered to its unchanging line of equitable and mutually beneficial trade and economic cooperation with other states, including the United States, because it represents an important factor in the stabilization of international relations and the consolidation of peace.

FOOTNOTES

1. "Technology and East-West Trade. Congress of the United States. Office of Technology Assessment," Washington, 1979, p 153.
2. R. Cupitt and J. McIntyre, "CoCom: East-West Trade Relations. The List Review Process," Toronto, 1979.
3. "SSSR-SShA: ekonomicheskiye otnosheniya. Problemy i vozmozhnosti" [USSR-USA: Economic Relations. Problems and Possibilities], Ed-in-Chief Ye. S. Shershnev, Moscow, 1976, p 186.
4. "Export Administration Act of 1979." Sec 5 (i).
5. "The Republican Platform," Washington, 1980, p 66.

6. "Export Administration Regulations," 1 October 1981.
7. "Technology and East-West Trade," pp 155-156.
8. For more detail, see article by V. A. Yulin, "Trade and Relapses Into 'Cold War,'" in issue No 4 of the magazine for 1982--Editor's note.
9. THE WALL STREET JOURNAL, 21 June 1982.
10. PRAVDA, 30 June 1982.
11. THE NEW YORK TIMES, 24 June 1982.
12. L. I. Brezhnev, "Speech at the 17th Congress of Trade Unions of the USSR on 16 March 1982," Moscow, 1982, p 12.

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WASHINGTON'S ACTIVITY IN SOUTHEAST ASIA: PRESSURE ON THE ASEAN

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 82 (signed to press 20 Sep 82) pp 65-70

[Article by S. A. Shergin]

[Text] The series of visits by high-level Washington emissaries to the countries belonging to the Association of Southeast Asian Nations (ASEAN) at the end of last year and this spring and summer testify to a new round of U.S. diplomatic activity for the purpose of drawing these countries (the members of the association are Indonesia, the Philippines, Malaysia, Singapore and Thailand) into a regional military grouping.* The visits by Deputy Secretary of State W. Stoessel (in November 1981) and Secretary of Defense C. Weinberger in March 1982 are noteworthy in terms of level and significance. According to official sources, they were organized as part of the "continuing discussion with government leaders in this important part of the world."

When U.S. Deputy Secretary of State W. Stoessel attended the 15th regular conference of the ASEAN foreign ministers in Singapore this June, many interpreted the arrival of this high-level State Department spokesman as another attempt by Washington to use the tactic of "arm-twisting" to exert pressure on association members, despite the socioeconomic nature of this group, and force them to discuss political and military-political issues, especially the so-called "Kampuchean problem."

From the very beginning, the current administration has been augmenting U.S. activity in Southeast Asia, regarding this region as "vitally important from the standpoint of American national interests." The Republicans took the first steps within the context of this line even before they took power, when R. Klein, one of the foreign policy advisers of the future President, toured the ASEAN countries in November 1980. After familiarizing himself with the state of affairs in the region, he made a few comments about future U.S. policy toward the ASEAN countries and the region as a whole at a press conference in Singapore. The views he expressed, however, contained nothing original to distinguish them from the well-known six points of the policy announced by Secretary of State E. Muskie when he spoke with the ASEAN foreign ministers in Kuala Lumpur in summer 1980.

* See Ye. G. Mironenkov and A. B. Parkanskiy, "U.S. Policy Toward ASEAN," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 3, 1981--Editor's note.

The Reagan Administration is actually continuing the political line of the Democratic Administration in Southeast Asia and is encouraging Washington's tendency to regard relations between the United States and ASEAN from the standpoint of the growing American military-strategic and economic ambitions in this part of the world. The main emphasis is still on the development and reinforcement of military-political ties with ASEAN, and especially with Thailand, to which the United States has assigned a "special role" in the region for many years now.

The new administration's first official emissary to arrive in Bangkok, in March 1981, was Deputy Assistant Secretary of State J. Negroponte. He went beyond the usual announcements by State Department emissaries regarding the need for broader cooperation between association members and Washington in all areas and advocated closer relations among the United States, the ASEAN countries, Japan, Australia and New Zealand.

The idea of creating a "community" of Pacific states under U.S. auspices has been discussed for a long time in American political and scientific circles.* But when the Republicans took power, the plans to create regional alliances became a much more important part of U.S. foreign political strategy. American ruling circles are trying to create a new "power center," comparable to NATO in terms of functions and parameters, in Asia and the Pacific on the basis of U.S.-controlled military-political alliances.

One reason for Washington's vigorous attempts to implement the idea of the "Pacific community" is the growing significance of Asia and the Pacific for American capital, as well as the obstacles which have sprung up recently in this region and have impeded U.S. economic expansion.

Despite the fact that the Pacific countries accounted for more than 40 percent of U.S. foreign trade by the beginning of the 1980's, their commercial strength has been seriously undermined by the fierce competitive struggle with Japan. The proportion accounted for by American capital investments in foreign direct private investments also decreased in almost all of the Southeast Asian countries. In the hope of overcoming these tendencies, Washington is trying to create an integrated regional structure, within the framework of which it will be easier for the United States to neutralize the increasing economic activity of Japan, its chief rival in the region, by using military-political leverage.

Of course, this is only one of the reasons, but it is an extremely important one aside from Washington's general political and strategic plans and expectations. This is probably why the Republican Administration called the creation of a "dynamic Pacific community" an "urgent task for the 1980's."

However, even the first attempts--or, more precisely, the preliminary discussion of ways of creating the "Pacific community"--revealed serious differences of opinion among the projected members of this organization. In September 1980, at a seminar held in Canberra to discuss the creation of the "Pacific community," the ASEAN countries displayed an almost unanimous reluctance to take part in organizing this

* See SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 3, 1982, pp 21-23--Editor's note.

kind of association. The negative feelings of the ASEAN members about the idea of cooperation within the framework of a "Pacific community" in which Washington would inevitably hold the key positions stem from their bitter experience in "equitable and mutually beneficial" cooperation with the United States, when American weapons were foisted on them instead of the technology and industrial equipment they needed. But this is not all.

By insisting that the ASEAN countries form a military-political group and pushing them into a confrontation with the independent states of Indochina, especially Vietnam, Washington is increasing their fears about the implications of this kind of regional alliance.

The reaction of some ASEAN leaders to then U.S. Secretary of State A. Haig's trip to Beijing in June 1981, when he announced Washington's intention to sell China offensive weapons, is indicative in this connection. At a meeting in Manila that same month, Indonesian Foreign Minister M. Kusumaatmadja informed Haig that the adoption of this decision without preliminary consultation with ASEAN could not contribute to better relations between association members and the United States.

The leaders of the five ASEAN countries have expressed serious worries about the unconcealed threats addressed to Vietnam by American Administration spokesmen in Beijing. In a speech in the Chinese capital, Assistant Secretary of State for East Asian and Pacific Affairs J. Holdridge, who accompanied A. Haig on his trip to Beijing, said that the United States would seek ways of exerting stronger political, economic and military pressure on Vietnam in conjunction with other countries. "This is a fairly odd promise for an American official to make, particularly since it was made in China," the WASHINGTON POST remarked on 26 June 1981 in an editorial entitled "Echoes of Vietnam."

Holdridge used the same tactic of fueling anti-Vietnamese feelings in ASEAN political circles when he met with the foreign ministers of the association at the beginning of November 1981 on the island of Bali (Indonesia). It is also noteworthy that Holdridge's trip coincided with former U.S. Secretary of State H. Kissinger's tour of the region.

Formally, Henry Kissinger arrived in Singapore as a private individual to present public lectures on U.S. foreign policy. But this did not keep him from meeting with Prime Minister Lee Kuan Yew of Singapore, visiting Jakarta and Kuala Lumpur and conveying Ronald Reagan's personal greetings to President Soeharto of Indonesia and Prime Minister Mahathir bin Mohamad of Malaysia during unofficial meetings with them. Kissinger's lectures and his statements at a press conference in Singapore were seasoned liberally with anticommunism and anti-Sovietism. He advised the ASEAN countries to solve all of their international problems in close cooperation with the United States and China. According to the local press, Kissinger's undercover activity "left no doubts that the former secretary of state was carrying out a special mission in the region as a White House emissary."

All of these visits by American emissaries to the countries of the region proved that Indonesia is of particular interest to Washington. It was visited by American senators, a group of American generals headed by Deputy Secretary of Defense R. Comer, and "middle-level" representatives of U.S. political circles. In turn, top Indonesian leaders began to receive earnest invitations to the United States.

In June 1981 President Reagan sent President Soeharto an invitation to visit the United States. Later, in November of the same year, C. Weinberger invited Indonesian Defense Minister M. Jusuf, through the American ambassador in Jakarta, to visit Washington for the purpose of, as the message said, "an exchange of views on matters of national defense and the security of both countries."

Washington's more vigorous diplomatic activity with regard to Indonesia stems from a number of factors, but the main reason is thought to be the desire of U.S. ruling circles to put an end to the period of reserved relations with Jakarta by drawing this influential ASEAN country into the orbit of American policy and thereby making all other members of the association more "tractable." In reference to the more active American-Indonesian contacts at all levels, the Indonesian press noted that "the state of contacts between the United States and Indonesia at the end of 1981 suggests that their relationship will become closer in coming years." Some influential forces in Indonesia, however, are demanding that the country pursue a more cautious and independent policy with regard to the United States. This was reaffirmed at a discussion of the U.S.-ASEAN relationship organized at the end of 1981 by MERDEKA newspaper. Most of the prominent politicians, public spokesmen and academics who took part in the discussion concluded that the policy of the Reagan Administration in Southeast Asia is contrary to the national interests of the people of this region. Statements printed in the newspaper by discussion participants noted that the wishes of the Southeast Asian people would be best served by a policy aimed at the resolution of existing problems in the region by peaceful means and through local efforts.

On the whole, the policy of the Reagan Administration is pursuing in Southeast Asia has evoked conflicting feelings in the ASEAN countries. Although influential political and social figures in these countries have consented to an increase in American economic and military assistance, they are not concealing their anxiety and fear in connection with the continued use of the "China card" by U.S. diplomacy and Washington's attempts to involve them in an anti-Soviet alliance.

The nature of the disagreements between the United States and ASEAN was most clearly revealed at a conference on the ASEAN, held from 11 through 13 November 1981 at the Fletcher School of Law and Diplomacy, Tufts University, in Medford (Massachusetts). In a report on the conference, which was attended by officials, journalists and academics from the ASEAN countries and the United States, the NEW YORK TIMES commented that the main cause of disagreements was the "reluctance of several Southeast Asian governments to promote a revival of the cold war in this region by forming a new anti-Soviet alliance with the United States."

The representative from Malaysia, Foreign Minister Ghazali bin Shafie, expressed the common ASEAN worries about the nature of U.S.-Chinese relations at a time when China is employing citizens of Chinese origins in the region as an anti-governmental "fifth column." Discontent with Washington's protectionist policy, which is keeping goods from the ASEAN countries from acquiring broad access to the American market, was also expressed at the conference. Some anxiety was also expressed in connection with the status of the non-aligned states belonging to the association in view of the vigorous U.S. attempts to gain the right to build new American military bases in this region.

Considering the ticklish nature of the situation, U.S. Assistant Secretary of State for East Asian and Pacific Affairs J. Holdridge hastened to soothe ASEAN representatives with assurances that relations with the members of this association "are of unsurpassed importance." To dispel the doubts about the goals and nature of American policy toward China, he declared that the Reagan Administration would consider the possibility of sending China only defensive weapons, and only on an "individual basis" after consultations with the ASEAN countries and the U.S. Congress. These words, however, did not have the desired effect on the representatives from the ASEAN countries: With the exception of the Thai representative, who applauded the support of China as a factor deterring the "external threat," all of them expressed the fear that the United States might sacrifice the association's interests for the sake of its main goal--a conflict between the PRC and the states of the Indochinese peninsula.

This fear does not seem to be groundless, particularly in view of Washington's recent interest in the so-called "Kampuchean problem." After launching a campaign to "punish Vietnam" for its "invasion of Kampuchea," the United States tried to involve the ASEAN countries in it. It is no secret that U.S. efforts have turned the Thai-Kampuchean border into a zone of undeclared war. Washington is making use of the provocative activity of the remaining members of Pol Pot's gangs and the Khmer nationalists to escalate tension in the relations between the independent states of Indochina and the ASEAN countries. When Deputy Secretary of State W. Stoessel arrived in Thailand in November 1981, he said at a meeting with the Thai leadership that the Reagan Administration supported the plan to set up a "coalition government" in the non-existent "democratic Kampuchea" with the inclusion of Sihanouk, Son Sen and Pol Pot's followers.

It must be said, however, that Washington's attempts to carry out this plan have encountered some resistance. Speakers at a conference of ASEAN foreign ministers in December 1981 in the Thai city of Pathay said that they would not seek confrontation with Vietnam when they took action on the "Kampuchean problem." Singapore was the only state to take a separate position, insisting on a tough line, to the point of the exertion of military pressure on the Indochinese countries. The representative from Singapore expressed the same views at the session of ASEAN ministers in this republic in June 1982. On the eve of the session, Foreign Minister S. Dhanabalan of Singapore was interviewed by the local newspaper, the STRAITS TIMES, and remarked that the association had already worked out a common stand and that the discussion at the meeting would be confined to specific ways of exerting "diplomatic, political and economic pressure on Vietnam."

This statement, however, was obviously premature. Indonesia took a firm stand against military support for anti-Kampuchean groups. Its independent position, which did not agree with Washington's plans, aroused severe U.S. displeasure. The White House even announced that the President would be "too busy" to receive the Indonesian defense minister during his visit planned for June. As a result, the visit was postponed.

A realistic approach to the "Kampuchean problem" can also be seen in the position of the Philippines, and this is also irritating and upsetting Washington. Other "irritations" have also come to light in U.S.-Philippine relations in recent years, and most have been connected with the presence of American military bases

on Philippine land. Attempts to disperse the "storm clouds" between Manila and Washington were made by C. Weinberger, who spent a day in the Philippine capital after his talks on military matters in Tokyo and Seoul in April 1982.

The Pentagon chief assured President Marcos that Washington still believed it was exceedingly important to maintain U.S.-Philippine relations on a high level. Weinberger's visit, however, was the occasion for protest demonstrations in Manila. At the same time, editorials in several local newspapers expressed worries about the implications of the current U.S. Administration's policy in Southeast Asia and the rest of the world, particularly the increasing danger of nuclear war.

On the whole, Washington's latest round of diplomatic activity in the region demonstrated, on the one hand, the difficulties the U.S. has encountered in its attempts to convert the ASEAN from an economic and cultural organization into a military group and, on the other, the persistence and insistence with which Washington is attempting to turn this regional organization into an obedient instrument of its policy. This is creating friction in the relations between the ASEAN countries and the states of Indochina and is resulting in the further deterioration of the situation in Southeast Asia. It is inconsistent with the desire of the majority of countries in this region to consolidate their security and to establish peaceful and mutually beneficial ties with other states in the world.

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SCANDALS IN CIA PROPRIETARY CORPORATIONS EXAMINED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 82 (signed to press 20 Sep 82) pp 70-76

[Article by Yu. A. Olesenko: "How They 'Make Money' in the CIA"]

[Text] "You must believe us. We are honorable men," Richard Helms assured newsmen when he was director of the U.S. Central Intelligence Agency. This was the same man who had worked in American intelligence since World War II and in the CIA almost from the very moment of its founding. This was also the man who narrowly escaped a charge of perjury in connection with his testimony before one of the congressional committees investigating the Watergate affair just 2 years ago, and probably just by a lucky coincidence.

This scandal and numerous subsequent exposures of unscrupulous CIA practices did much to undermine the American public's trust in the agency. This is why considerable attempts are being made on the very highest level in the United States to enhance its prestige. President Ronald Reagan had good reason to call professional spies "heroes" and "the eyes and ears of the free world" in June 1982, when he spoke at CIA headquarters in Langley after signing a bill protecting the CIA against exposure in the press.

The Americans have more than enough reason, however, to suspect even the elementary integrity of these "heroes." They are far from selfless and they often make use of the dense screen of secrecy shrouding their work for the successful combination of their professional duties with various types of profitable deals.

Favorable conditions for this were established as soon as the CIA was founded. American legislators, obsessed with the idea of creating a center of unprecedented dimensions for espionage and sabotage, passed a law on the CIA in 1949, which states: "Funds allocated to the agency can be spent without regard for the statutes and instructions pertaining to the expenditure of government resources." In other words, there was to be no monitoring or accounting of these funds whatsoever. It is difficult to even imagine the kind of opportunities this afforded for the abuse of power.

Making use of the funds so generously allocated for espionage and subversive activity abroad, the CIA created an entire network of pseudoprivate companies to serve as cover for its operations. In Langley jargon these companies are called "proprietary corporations." They operate in various branches of the economy within

the United States and in many other parts of the world. Usually the lists of directors and members of the boards of these companies include the names of influential businessmen and other prominent Americans, but the operations of the companies are actually managed by professional intelligence agents. One of the main figures in the Watergate scandal, H. Hunt, worked in one of these companies in Washington while he was a CIA staffer, prior to his move to the White House.

Until the middle of the 1970's, air transport was probably one of the main spheres of CIA investment and "enterprise." A head firm was founded, the Pacific Corporation, which once managed several airlines operating in various parts of the world: Air America, Air Asia, Civil Air Transport, Intermountain Aviation, Southern Air Transport and others. According to some data, up to 20,000 people were employed in the CIA aviation empire. In the middle of the 1970's American researchers V. Marchetti and J. Marks wrote: "Improbable as it may seem, the CIA is now the owner of one of the largest fleets of 'commercial' airplanes in the world, if not the largest."*

In Southeast Asia and Latin America the planes of CIA airlines were widely used to provide air support for the forces of various reactionary regimes favored by Washington, for the transfer of spies, saboteurs and mercenaries to other states, for the bombing of regions controlled by national liberation movements from "unknown" planes and for other secret operations of the American intelligence community. In 1965 the CIA sold the Salazar Government in Portugal 20 B-26 bombers through its Intermountain Aviation firm for use against national liberation movements in the African colonies. At that time, the United States was officially observing the embargo on arms shipments to Portugal, which had been fighting colonial wars for many years, but the decision on this illegal transaction was made in Washington at the highest level and was implemented by the CIA through this dummy "private" company.

In addition to working on secret assignments, the CIA airlines were actively engaged in commercial operations, for which private American airlines repeatedly accused them of unfair competition. The CIA air companies earned tens of millions of dollars a year on transport operations contracted by the Pentagon, the State Department and other government agencies. As a result, as one CIA director admitted, this agency was able to acquire virtually any services from its air companies for free. This was obviously completely to the benefit of the American intelligence leadership, and it never tried to delve into the details of its agents' maneuvers in the air transport business. The only attempt to find out what was going on in the CIA air empire was made in the middle of the 1960's and ended in failure: As Marchetti and Marks put it, "the combination of profit-seeking endeavors and secret flights made bookkeeping almost impossible."

The CIA people employed in this unique air business were able to augment their personal bank accounts considerably. The press reported several times that the pilots, and possibly the company administrators, of Air America, operating in Southeast Asia, were involved in the illegal international trade in heroine. The conditions for this were almost ideal: The airlines then had its own airports and loading platforms on the perimeter of the "golden triangle" of the drug trade--

* Victor Marchetti and John Marks, "The CIA and the Cult of Intelligence," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 12, 1974, Nos 1-5, 1975.

Thailand, Laos and South Vietnam--and there were virtually no customs inspections on its flights.

The transactions which were carried out quite legally in those cases when the headquarters in Langley decided to divest itself of one of its companies were equally profitable for the aviation businessmen from the CIA. To cover up all traces, the buyers in these cases were the CIA's "own people" and the price was set accordingly. This was the case, for example, when Southern Air Transport was sold in 1973. One of the CIA's "own people" purchased the CIA-owned airline in Nepal by putting down a small deposit and putting up the company itself as collateral. This resourceful person quickly resold the property, paid off the mortgage and earned a handsome profit without even going to Nepal.

The CIA conducts many subversive and secret operations through these "proprietary corporations." The subversive CIA radio stations, Radio Liberty and Radio Free Europe, operated for 20 years as "private" organizations. Propaganda broadcasts to Cuba were the job of the CIA-owned Gibraltar Steamship Corporation and Vanguard Service Corporation. Mercenaries for overseas CIA ventures were recruited by the Double-Chek Corporation and Caramar (Caribbean Marine Aero Corporation).

The CIA "corporations" trading in weapons occupy a special position. For a long time the leader among American firms in this market was the International Armament Corporation (Interarmco), which was founded by S. Cummings, a CIA officer, in 1953 with the financial support of the agency. Interarmco grew large and opened outlets in England, Montecarlo, Singapore, South Africa and the Latin American countries. It was a major supplier of weapons for CIA diversionary operations and for U.S.-supported reactionary regimes.

In March 1982 the Subcommittee on Africa of the House Committee on International Relations prepared a report which said that in 1976-1978 a man named J. Frost, a CIA "consultant" on the arms trade, and another agency staffer served as middlemen in the establishment of contacts between a South African government armament purchasing agency and the American Space Research Corporation. This firm sold South Africa 60,000 rounds of ammunition for 155-millimeter guns and at least 4 weapons of this caliber and also gave the racist South African regime "technical assistance" in the organization of the production of these weapons.

The "proprietary corporations" are still operating under the CIA's wing and own property valued at hundreds of millions of dollars. These corporations, however, are only one sector of agency activity in the world of "private initiative." The CIA has been collaborating just as energetically with large American companies operating in various parts of the world. A unique symbiosis of big business and the agency was already taking shape in the 1950's: The CIA uses the overseas branches of American companies as cover for its agents and, when the need arises, helps them in their struggle against competitors and even local authorities. The companies, in turn, repay their loyal partners lavishly.

The American oil firms whose investments are concentrated in the Middle East are quite closely connected with the CIA.

The CIA-organized coup d'etat in Iran in 1953, when Prime Minister M. Mossadegh was overthrown and the shah was put on the throne, was conducted for purely economic as well as political reasons. Directly as a result of this, London lost its monopoly on Iranian oil: 40 percent of the assets in the new oil consortium created after the coup went to American companies. It is indicative that the oil industrialists were particularly grateful to Kermit (Kim) Roosevelt, the American intelligence officer who was directly responsible for the organization and management of the coup. He moved from the CIA to the Gulf Oil Corporation, which became part of the new consortium, and was its vice president within a few years.

The smell of oil profits is just as irresistible to today's CIA officials. One of them, Raymond Clows, was the senior CIA resident in Saudi Arabia in the 1970's and had considerable influence in this country. In a number of cases, he conveyed important secret messages from the American Government to its leaders, one of which, for example, sanctioned the resale of weapons to Pakistan by the Saudis at a time when the American ambassador, expressing the official U.S. position, was objecting to this kind of transaction. In 1977 Clows officially retired, but informed sources doubt this: No one ever knows if a CIA official has actually retired and is doing nothing other than "making money" on old contacts and information or if he is engaging in commercial activity only as a sideline.

Whatever the case may be, Clows remained in Saudi Arabia and founded his own company there. His partners were K. Adham, once the head of Saudi intelligence, and another former high-placed official, I. Qabbani. Since 1978 Clows' company has represented Cesco Chemicals International in Saudi Arabia. This is an American firm, headquartered in Louisiana, which supplies the market with lubricants for oil rigs. Its owner, R. Matlock, announced with pleasure that his association with Clows helped him "get through the front doors" of Saudi officials, and that Clows himself could "deal" with them better than an ordinary representative of the firm. Cesco declined to comment on the compensation Clows received for his services, but American businessmen in Saudi Arabia believe that it must constitute a substantial sum. In any case, when another American company tried to acquire a contract for the operation of an airport in Saudi Arabia, Clows stipulated his terms: 200,000 dollars a year for 10 years "for representation" and 400,000 dollars a year until the expiration of the future contract.

Another colorful figure in the world of American businessmen-agents is L. Devlin. In the 1960's he was the chief CIA resident in the Congo (what is now Zaire). After the assassination of P. Lumumba, according to another former CIA agent, J. Stockwell, Devlin "shuffled the lists of members of the new government like a deck of cards until he chose Mobutu as the most suitable candidate for the presidency." With the aid of Devlin, acting on behalf of the CIA, Mobutu took office. Later events transpired according to a familiar script. In 1974 Devlin "left" the civil service, but according to the same Stockwell the CIA was still making use of his services in 1975, and according to other sources it is still making use of them today. In any case, Devlin became the head of the Zaire office of a New York firm, Leon Tempelsman and Son, engaged in the mining and sale of precious metals and minerals. In Zaire this firm is in the diamond mining business and conducts geological prospecting work. According to company Vice President W. Ulman, when the firm hired Devlin, who knew absolutely nothing about geology, the deciding factor was his "excellent contacts" in Zaire. The firm knew what it was doing:

Its competitors now have good reason to complain about its advantage in this country. After all, according to a NEW YORK TIMES correspondent, Devlin's influence in Zaire has given him "better connections than the American ambassador in this country."

Clows and Devlin are not exceptions to the rule. According to former CIA staffer F. Snapp, "dozens of former overseas operatives laid down the cloak and dagger to start businesses in the countries where they once worked." D. Arnold, former CIA resident in Thailand, retained his contacts in this country's top government circles and now represents several American firms there. The former chief CIA resident in the Philippines, H. Natzke, works for the rich Filipino banker L. Tang, representing his interests in California. A former assistant director of CIA secret operations, T. Shackley, and another former employee of this agency, G. Noch, have opened business consulting firms and are successfully turning the information which was accessible to them while they were working in Langley into huge dollar amounts. Former CIA Security Chief R. Gambino is making use of his experience as the head of an agency which trains personal bodyguards.

Even the most high-placed officials of the intelligence agency cannot pass up a chance to fill their pockets after they retired. General V. Walters was the assistant director of the CIA and conducted negotiations in this capacity with Spain and Morocco on the Western Sahara in 1975. In the Reagan Administration Walters is an ambassador at large and is often seen in Central and South American hot spots. Between the time when he left the CIA and the beginning of his career as a diplomat, Walters used his contacts in Morocco to represent Environmental Energy Systems (the name of this firm provides no clue that it deals in weapons!) there and negotiated the sale of tanks. The firm paid Walters 300,000 dollars for this.

In reference to former CIA Director R. Helms, the NEW YORK TIMES reported that he "now makes a living consulting corporations on overseas business." Of course, there is a great deal of evidence that Helms is apparently not only "making a living" by providing these "consulting" services, but is also augmenting his bank account.

The thirst for personal wealth has seized all of the thousands of American espionage agents. But whereas the top officials deal in contacts and information, those on the lower levels make use of any opportunity. For a long time the American press was filled with references to former CIA agents E. Wilson and F. Terpill, who were dealing in arms, ammunition, explosives, poisons and even instruments of torture abroad and were simultaneously forming their own group of executioners from among the "green berets." These services were offered to anyone who was willing to pay. Terpill said: "I think of myself as a neutral businessman." Terpill feels that one of his most successful operations was the sale of wire-tapping equipment to the Iranian shah for 48 million dollars. Another of his clients was the "Gray Wolves" fascist terrorist organization in Turkey, one of whose members was the Agja who tried to assassinate the Pope. Wilson's CIA duties included the management of several "proprietary corporations" and he was apparently quite successful in this line because his personal worth increased from 200,000 to 2 million in just around 10 years. Even after he left the CIA, however, Wilson continued to use these fictitious corporations for his operations abroad.

Both Wilson and Terpill have officially resigned from the espionage agency. Terpill had to leave in connection with a scandal over his speculative currency transactions when he was serving in New Delhi. There is evidence, however, that both he and Wilson maintained close contacts with many CIA officials--including high-level ones--after leaving the agency, and that these officials helped them acquire weapons and various diversionary equipment for sale and for the conduct of shady maneuvers. All of this was so scandalous that the American judiciary had to take action: Charges were brought against Wilson, Terpill and a number of their colleagues. Wilson was even arrested. But their patrons from the CIA were untouched by the investigation. Furthermore, it is unlikely that they themselves will be punished: When cases of this kind come to trial, the American courts are usually uncommonly kind to CIA wheeler-dealers who have been caught red-handed.

A memorandum signed by the Department of Justice and CIA, according to which the intelligence community reserved the right to decide which of its employees or informants could be brought to trial, was in force between 1954 and 1974. As a result, two CIA agents who embezzled large sums of money in the 1960's escaped punishment "for security reasons." After the CIA's abuses of power were investigated in the middle of the 1970's, this memorandum was officially canceled, but everything actually stayed the same. A recent event in California corroborates this.

At the end of March 1982, when the SAN DIEGO UNION interviewed W. Kennedy, a local federal prosecutor, he said that the Department of Justice had not allowed him to bring charges against a man named M. Nassar Jaro since November of last year, because this man, according to the CIA, was "the most important source of information on Mexico and Central America." From 1977 to January 1982, Nassar headed the federal security directorate in Mexico, but he had also taken some lessons from his American colleagues and was in charge of an underground automobile theft syndicate. His accomplices stole around 600 vehicles in Southern California, worth a total of 8 million dollars, and drove them to Mexico, where they sold them. After the sensational interview in the SAN DIEGO UNION, the Department of Justice suggested that Kennedy...resigned. He refused and then President Reagan dismissed him from his office. Kennedy is far from liberal, he was appointed prosecutor by the current administration, and in his interview he even stressed that the CIA's interests "should be considered." But the person who was ultimately punished was the prosecutor who tried to uphold the law, while the head of the gang of car thieves, who was working for the CIA at the same time, is still at large.

Incidentally, the present director of the CIA, W. Casey, is suspected of using the secret information to which he has access in his own interests. In any case, when he took office, he did not put his assets in trust, as is the custom for top-level government officials. He and his wife own stock in 27 companies and have invested a great deal of capital abroad, totaling at least 1.8 million dollars. As the director of the CIA, Casey has access to the most extensive secret economic information as well as reports which, according to the CHICAGO TRIBUNE, "could be of tremendous value to a man who wants to invest in stocks." When journalists wondered about this, CIA legal counsel S. Sporkin could only tell them: "This is a man of irreproachable integrity. He has never misused the information to which he has access. He is simply not capable of this." This is not very convincing and it is not even original! How could we not recall R. Helms' statement: "You must believe us...."

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SOVIET-AMERICAN YOUTH CONFERENCE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 82 (signed to press 20 Sep 82) pp 76-77

[Article by V. A. Mazing and V. L. Chernov]

[Text] The Siberian city of Irkutsk was the site of the 11th regular meeting of representatives of Soviet and American youth. These meetings, which have already become a tradition, are held each year, alternately in the Soviet Union and the United States. Earlier envoys of Soviet and American youth were welcomed in Minsk and Chicago, Kiev and New York, Baku and Waukesha, Wisconsin, Tbilisi and Atlanta, and Tallin and Lock Haven, Pennsylvania.

The meetings were initiated by the USSR Committee of Youth Organizations and the Forum for U.S.-Soviet Dialog--a public organization whose members represent various strata of American youth.

This time the American delegation consisted of more than 40 individuals from various American cities--young scholars and jurists, teachers and journalists, students and physicians, artists and civil servants. The Soviets who attended the meeting also made up a broad group.

During a discussion of "Soviet and American Youth for Lasting Peace and Cooperation Through Dialogue and Mutual Understanding," Soviet and American delegates exchanged views on the issues of greatest interest to young citizens in both countries today.

The subject matter of the sessions of the first two committees--"Soviet-American Relations" and "Disarmament and Arms Control"--was of the greatest interest.

Heated debates broke out in the first committee when the discussions focused on Soviet and U.S. foreign policy principles. Representatives from some conservative research centers (especially the Hoover Institute) misrepresented Soviet foreign policy in their statements, depicting it as something emphasizing the "export of revolution." Soviet speakers cited facts to corroborate the peaceful nature of Soviet foreign policy, explained the basic premises of the Soviet Program of Peace and logically criticized the subjective assessments of Soviet actions in the international arena.

Differing views on philosophical matters and on the implications of a number of events could have brought the discussion to a standstill, but this did not happen because both sides took a serious and responsible approach to the dialogue. In spite of differences of opinion among American delegates, they soberly assessed the danger of the crucial stage through which relations between the two countries are now passing and arrived at the common conclusion that attention would have to be focused on the matters uniting the people of the United States and the USSR, particularly the struggle for a lasting peace. This approach was fully supported by the Soviet delegation.

In a press release approved by Soviet and American delegates at the end of the first committee's work, its participants stressed the futility and danger of the policy of confrontation in relations between the two countries and expressed the opinion that the only reasonable means of developing these relations is the policy of dialogue and cooperation for the consolidation of international security and the prevention of nuclear war.

The discussion of disarmament and the limitation of the arms race at sessions of the second committee led to heated arguments. Despite differences of opinion with regard to the causes and nature of the new round of the arms race that has been inflicted on the world, American and Soviet participants were unanimous in the belief that the present difficult and crucial situation necessitates immediate and concrete steps to avert a worldwide nuclear catastrophe, lower the level of military confrontation and make real progress in the area of disarmament and arms limitation.

Special emphasis was laid on the need for progress in the Soviet-American talks on the limitation and reduction of strategic arms and the talks on the limitation of nuclear arms in Europe. Soviet and American delegates also spoke in favor of the resumption of the talks on a total and universal nuclear test ban, on the prohibition of chemical weapons and on the limitation of the arms trade.

When questions connected with disarmament were discussed, a prominent place was occupied by problems connected with the prohibition of the development and production of new types and systems of weapons of mass destruction, particularly the "psychotronic weapons" which affect the human mind, radiation, ethnic and radiological weapons and other types of arms. Speakers arrived at the common conclusion that a ban on new types and systems of weapons of mass destruction is one of the major issues on which the future of the world and the security of peoples will depend.

The social and economic consequences of the arms race were analyzed at one session. In particular, it was noted that military competition keeps the standard of living of the broad masses from rising, slows down economic development, deprives people of a substantial portion of their material, labor and intellectual resources and gives rise to other negative phenomena. In this context, a common view was expressed: The reduction of military spending would allow for the resolution of many current problems of an economic and social nature.

During the conference, Soviet and American delegates also had an opportunity to exchange views outside the committees. Three lively "roundtable" discussions were of great interest. Their themes were "What Might the Arms Race Lead to by

1990?", "The Soviet and American Political Systems" and "How Do Soviet and American Young People Perceive One Another? The Role of the Mass Media."

One memorable event for all participants was the tree-planting ceremony on the Avenue of Peace in the new Siberian city of Shelekhov. Many of the city's inhabitants gathered that day around the square where young Soviet and American citizens worked side by side. The leader of the American delegation, Chairman Gregory Fess of the Forum for U.S.-Soviet Dialog, expressed the hope that relations between the two countries would grow along with the young birches. "We are leaving part of our hearts and new friends in Siberia," he said, "and we would like to return to your hospitable land some day and take a walk along this Avenue of Peace."

The positive results of the Irkutsk dialogue will lay a strong foundation for broader and deeper cooperation within the framework of these meetings in the 1980's. The next meeting, according to the plans of the forum leadership, will be held in San Francisco in 1983.

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NEW U.S. MILITARY-ECONOMIC PROGRAMS

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[Article by V. P. Konobeyev and A. A. Kononov]

[Text] The Reagan Administration is compiling and carrying out several broad-scale military-economic programs for the 1980's in line with its general effort to escalate international tension and the arms race and its "crusade" against socialism.

Many of these programs were proposed by its predecessor, the Carter Administration, but the Republicans have expanded these programs considerably and have made the buildup of U.S. military strength one of the central points of their policy.

To finance the extensive military preparations, the U.S. Administration, disregarding the inevitability of the exacerbation of economic problems, planned a growth rate unprecedented in peacetime for the military budget for fiscal years 1982-1986. During this period, U.S. military expenditures will absorb an increasing share of the federal budget and in fiscal year 1986 they will be more than twice as high as the figure for fiscal year 1981 (in current prices). Military preparations on this scale will divert more and more resources from the civilian sector and will create additional difficulties in the resolution of many complex economic problems, and this certainly includes the problems whose resolution was promised in Ronald Reagan's widely publicized economic program.

Military Budget: Dynamics and Structure

The intensification of the arms race in the United States in the second half of the 1970's was accompanied by the accelerated growth of the Defense Department budget. The NATO decision, made under pressure from Washington in 1978, on an annual 3-percent real increase in military expenditures for the next 15 years already seemed inadequate to the American military leadership a year later. It began to demand the even more rapid growth of the budget to finance purchases of new weapon systems making the transition from the research and development stage to series production and to intensify the development of weapon models of the next generation.

To win public support for these sweeping militaristic programs, the military-industrial complex launched the appropriate propaganda campaign with the aid of the mass media in 1978. In a series of articles and speeches, various individuals regarded as "authorities" in the United States criticized the "low" level of funds allocated for Pentagon needs, which supposedly undermine the nation's military and military-economic potential. This was followed by statements about a "new intensification of the Soviet military threat" and announcements that the main branches of the American military industry were not keeping up with the growing (or potential) needs of the U.S. armed forces.

As a result, although J. Carter had originally requested military authorizations totaling 148.6 billion dollars for fiscal year 1981 in January 1979, he increased the figure to 174.3 billion dollars, after which the Reagan Administration was able to achieve the allocation of another 8.1 billion, bringing the total up to 182.4 billion. A similar "adjustment" was made in the draft military budget for fiscal year 1982: Through the efforts of the two presidents and the Congress, it grew from 158.6 billion dollars to a new record level of 219 billion, or 60 billion more than the administration had requested in 1979. The official American statistics cited in Table 1 clearly illustrate the fact that the plan for the dramatic growth of the military budget had already been worked out at the end of the 1970's, under the Democratic Administration.

The Republican Administration took a new step toward the peace-endangering escalation of military preparations, the senselessness and groundlessness of which were underscored by several American military experts. For example, J. Collins of the Congressional Research Service said: "We have a military strategy which can be called 'more.' Military authorizations totaling 1.5 trillion dollars have been requested for the next 5 years, but we have no policy to justify this."¹

Table 2 shows that the Reagan Administration wants to increase military authorizations to 375 billion dollars in fiscal year 1986, and actual expenditures to almost 332 billion. The growth rate of expenditures will far surpass the rate envisaged by the previous administration (5 percent) and will be 9.3 percent a year on the average in constant prices, and even higher in some years (over 11 percent in 1983 in comparison to 1982). The proportion accounted for by military expenditures in the GNP will increase from 5.3 percent in 1980 to 7.3 percent in fiscal year 1986, and their share of the federal budget will increase from 23.4 percent to 35.8 percent. Since the increase in the GNP in 1981 and 1982 was much smaller than the American Administration expected it to be, the actual share of the GNP accounted for by military expenditures should be even greater. Many prominent American economists, particularly L. Thurow, feel that the most realistic average annual rate of GNP increase in the 1980's is only around 1.4 percent.² If we calculate the average annual rate as the figure between these "pessimistic" predictions and official "optimistic" (4.7 percent in 1982-1987) forecasts--that is, 3 percent--we find, all other conditions being equal, that the absolute GNP in 1983, for example, will be 4 percent smaller than the administration expects it to be, and it will be 23 percent smaller in 1986. In this event, the proportion accounted for by military expenditures in the GNP will be 6.7 and 8.4 percent respectively (in comparison to 5.3 percent in 1980).

Table 1

Administration Proposals Regarding Size of Military Budget, in Billions of
Dollars, Current Prices

<u>Date Draft Submitted</u>	<u>Fiscal Years</u>			
	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
January 1979 (J. Carter)				
Authorizations*	138.2	148.6	158.6	169.6
Expenditures*	125.8	137.0	143.2	158.8
January 1980 (J. Carter)				
Authorizations	141.6	161.8	183.4	205.3
Expenditures	130.4	146.2	165.5	185.9
January 1981 (J. Carter)				
Authorizations	146.5	174.3	200.9	229.2
Expenditures	136.8	161.9	185.0	211.0
March 1981 (R. Reagan)				
Authorizations		181.1	227.0	260.3
Expenditures		163.0	189.5	226.7
February 1982 (R. Reagan)				
Authorizations		182.4	218.9	263.0
Expenditures		159.8	187.5	221.1

* Budget authorizations in the United States are the sums for which agencies are authorized to sign contracts for goods and services during the fiscal year, with payment for part of them in subsequent years. Expenditures are the funds allocated to the agencies for the payment of bills during the given fiscal year. For more detail, see issue No 3 of the journal for 1981, p 123.

"The Budget of the United States Government" for the corresponding years; "Fiscal Year 1982. Budget Revisions," Washington, March 1981, pp 126-127; "Budget of the United States Government. Fiscal Year 1983," Washington, 1982, pp 3-33, 3-34.

Given these growth rates, expenditures in fiscal year 1983 will almost reach the maximum level (in comparable prices) of the years of the American aggression in Vietnam (101 billion dollars in 1972 prices), and 1984 expenditures will be much higher. In all, almost 549 billion dollars (in 1972 prices) will be spent in fiscal years 1982-1986, in comparison to 437 billion in the first 5 years of the war in Vietnam (1965-1969). Furthermore, whereas during the first 4 years of this war expenditures rose 32 percent and then began to decrease in 1969, they will now rise 46 percent over 4 years (1982-1985) and their further growth has already been planned. Therefore, the rates and scales of the military programs planned by the Reagan Administration for the 1980's surpass those of all previous programs in peacetime and even during the years of intense fighting in Southeast Asia.

One distinctive feature of the Republican draft military budget is that the excess of authorizations over expenditures is much greater than it was in the past and than the amount planned by predecessors. In the 1970's this difference ranged from 3 billion to 12 billion dollars, in fiscal year 1980 it was 9.7 billion,

but in 1981 it suddenly more than doubled--reaching 22.6 billion. The tendency toward the quicker growth of authorizations will continue. In fiscal year 1985 they will exceed expenditures by almost 46 billion dollars. This policy allows the military establishment to sign more long-term contracts, which the monopolies making up the military-industrial complex have wanted for a long time. The Pentagon will be able to conclude agreements with corporations for larger sums, and this is important when programs are being carried out for the production of today's complex and costly weapon systems. Sizable "reserve" authorizations give weapon manufacturers a reliable guarantee of government orders not only within the next 5 years, but also much farther into the future. This stimulates the modernization of the military-industrial base and involves more and more new corporations in the military business. Furthermore, the Defense Department takes on financial commitments for many years in advance and must then either continue contracted programs or pay large forfeits to its contractors.

Table 2

Military Budget Dynamics in Fiscal Years 1981-1986, in Billions of Dollars

Indicators	1981, Actual	1982, Approved	1983, Projected	1984 Administration Projections	1985	1986	Total for 1982-1986
Authorizations							
In current prices	182.4	218.9	263.0	291.0	338.0	374.9	1,485.8
Growth, % of previous year	24.5	20.0	20.1	10.6	16.2	10.9	
In 1972 prices*	94.2	104.8	118.7	125.2	138.9	147.3	729.1
Growth, %	14.6	11.3	13.3	5.5	10.9	6.0	
Expenditures							
In current prices	159.8	187.5	221.1	253.0	292.1	331.7	1,285.4
Growth, % of previous year	16.8	17.3	17.9	14.4	15.5	13.6	
In 1972 prices*	82.5	89.8	99.8	108.8	120.0	130.3	548.7
Growth, %	7.7	8.8	11.1	9.0	10.3	8.6	
Authorizations in excess of expenditures							
In current prices	22.6	31.4	41.9	38.0	45.9	43.2	
% accounted for by military expenditures							
In GNP	5.6	6.1	6.4	6.7	7.0	7.3	
In federal budget	24.3	25.9	29.2	31.4	33.6	35.8	

* With GNP deflator.

Authors' calculations based on: "Budget of the United States Government. Fiscal Year 1983," Washington, 1982, pp 3-33, 3-34, 5-10.

Another important feature of the program for the financing of military undertakings in fiscal years 1982-1986 is the marked change in the budget structure. Table 3 shows that the most rapid growth rate is anticipated for expenditures on weapon

purchases. The proportion accounted for by them in total military expenditures will rise from 22 percent in fiscal year 1981 to 32.2 percent in 1986, or more than 10.2 percentage points, and the absolute figure will more than triple. According to the new budget, these expenditures will increase more rapidly than planned by the Carter Administration. By fiscal year 1984 expenditures on arms purchases will already be greater than personnel maintenance costs, and in 1985 they will be the largest item of Pentagon expenditure. Whereas the maximum annual increase in military purchases during the Vietnam war, according to American estimates, was 14 percent, the current American leadership plans to increase arms purchase expenditures by an average of 16 percent a year right up to 1987. This accelerated growth indicates that the Reagan Administration has far-reaching plans to re-equip the American armed forces and to stockpile weapons for a period far in excess of the next 5 years. The U.S. intention to continue intensive development of new weapons is attested to by the constantly high percentage of research and development expenditures in total military spending (around 10 percent).

The draft budget for fiscal 1983 also reflects some peculiarities of the current administration's approach to the financing of military purchases. First of all, in order to lower the purchase prices of weapons, more capital will be invested in the production of some types in order to raise their manufacture to an economically effective level, since overhead costs decrease considerably when the scales and rates of production are augmented; 3.4 billion dollars will be allocated for the financing of these measures; according to the heads of the U.S. Defense Department, this will produce a savings in subsequent years. Secondly, another 2 billion dollars will be allocated to compensate for unforeseen increases in the prices of military equipment during the production stage so that the administration will not have to request additional funds from Congress later. Thirdly, the list of weapon systems purchased on the basis of long-term contracts is to be expanded. Additional allocations totaling 578 million dollars have been requested for this purpose. The benefits the monopolies and Pentagon can derive from this system were discussed above. Here we will only add that long-term contracts, in the opinion of the business community, allow suppliers to place advanced orders for parts and materials more efficiently, and this lowers overhead costs and the prices of products.

Battles are still being fought in the Congress over certain items of the fiscal 1983 budget. The final draft, approved by the Senate and House of Representatives, will be submitted to the President for his signature at the end of calendar year 1982. As far as the military section of the budget is concerned, substantial cuts in these items are unlikely. In spite of the mounting antimilitarist feelings in the Congress, the "hawks" still hold the dominant position and all of the loud debates over certain Pentagon budget items could be simply a reflection of the domestic political struggle or maneuvers anticipating the congressional elections of fall 1982. The congressional committees and subcommittees which adopt military programs and budgets and have actually become part of the military-industrial complex invariably, with only rare exceptions, sanction all Defense Department requests.

To justify its expenditures, the Pentagon has submitted a long list of required weapon systems and tasks which supposedly must be performed for reasons of "national security." Furthermore, the long list of planned military purchases was

made public long before the administration cited any political or economic arguments to substantiate this need. References to the need to restore the United States' "lost" strategic nuclear parity with the USSR turned out to be obviously insufficient, if for no other reason than that the overwhelming majority of systems which were mentioned on the list and which will absorb the highest percentage of these funds have no connection with strategic forces. The groundlessness of this increase in military authorizations has been underscored by many American specialists. For example, L. Thurow wrote: "Some military experts are wondering whether many points in the new defense budget are really necessary and whether they might not tend to undermine national security rather than strengthening it."³

Table 3

Structure of Military Expenditures*

Expenditure Items	Fiscal Years					
	1981	1982	1983	1984	1985	1986
Maintenance of personnel**	50.1	53.3	61.0	63.5	66.3	68.7
	31.3	28.4	27.6	25.1	22.7	20.7
Maintenance and operation of materiel	51.9	60.6	67.3	71.9	79.6	88.5
	32.5	32.3	30.4	28.4	27.3	26.7
Arms purchases	35.2	41.3	55.1	70.0	88.3	106.9
	22.0	22.0	24.9	27.7	30.2	32.2
Research and development	15.3	18.3	22.2	25.6	29.3	...
	9.6	9.8	10.0	10.1	10.0	
Military construction (including housing for servicemen)	4.2	4.8	6.4	7.7	9.2	...
	2.7	2.6	2.9	3.0	3.1	
Development and production of nuclear weapons	3.4	4.5	5.2	6.0	6.5	...
	2.1	2.4	2.5	2.4	2.2	
Other expenditures and statistical adjustments	- 0.3	4.7	3.9	8.3	12.9	67.6***
	- 0.2	2.5	1.8	3.3	4.5	20.4
Total	159.8	187.5	221.1	253.0	292.1	331.7
	100.0	100.0	100.0	100.0	100.0	100.0

* The numerator is the figure in billions of dollars and in current prices; the denominator is the percentage accounted for by the item.

** Including pensions for retired servicemen.

*** Including expenditures on research and development, military construction and the development and production of nuclear weapons.

"Budget of the United States Government. Fiscal Year 1983," Washington, 1982 pp 3-33, 3-34, 5-10.

In his annual report, published at the beginning of 1982, C. Weinberger tried to substantiate the need for these sweeping military programs by stating that America must be prepared to fight several wars simultaneously in different and widely separated theaters of combat. According to administration spokesmen, these wars could be quite varied in character, including protracted nuclear and non-nuclear wars requiring the mobilization of colossal human, raw material and industrial resources to compensate for unavoidable losses.

Without attempting any detailed political or military judgments of this theory, we will simply make two comments within the context of this article. On the one hand, ideas like this represent an attempt to continue using war as a means of attaining political goals and diverting its destructive effects farther away from home. Apparently, the present U.S. leadership cannot stop thinking about how stable and reliable the American economy looked against the background of the ruins of postwar Europe. On the other hand, this approach is in the interests of military monopolies because, as NEWSWEEK magazine remarked, "the creation of forces to fight protracted non-nuclear wars costs much more than preparations for nuclear war--this fact is reflected in the new Pentagon budget, in which 90 percent of the expenditures are earmarked for non-nuclear forces."⁴ According to the draft, the proportion accounted for by U.S. strategic forces in total Pentagon authorizations will rise dramatically--from 7.1 percent in fiscal 1981 to 10 percent in 1985. Nevertheless, expenditures on general-purpose forces will still be several times higher than expenditures on strategic forces. This holds out the promise of stable multibillion-dollar contracts to thousands of producers of military equipment, especially the major military-industrial corporations, for a fairly long period.

This prospect is also confirmed by a comparison of requested authorizations for the acquisition of the most costly types of weapons. The present list of the main weapon systems and military equipment in various stages of production, development or modification includes around 150 items. To finance the four largest strategic systems, 6.2 billion dollars was allocated in fiscal 1982, including 2.1 billion for the B-1B strategic bomber, 2 billion for the MX ICBM, 1.3 billion for the Trident nuclear missile system and 0.8 billion for submarine-based cruise missiles. More than 21 billion dollars will be spent on the main types of weapons for general-purpose forces, including around 7.4 billion for F-14, F-15, F-16 and F-18 fighters (260 planes in all), 2.5 billion for helicopters for naval aviation and ground forces, 8.6 billion for ships and 2.6 billion for M-1 tanks and infantry combat vehicles.

Weinberger also substantiates his intention to increase the already excessive military budget with the need to solve several problems which supposedly were not given enough attention by his predecessor in the previous administration. He believes that the following are the most important problems requiring additional financial expenditures.⁵

1. The guarantee of the combat readiness of U.S. armed forces. The funds allocated for this purpose totaled 2.8 billion dollars in fiscal year 1981 and 8.7 billion in 1982. They will be used to increase the annual number of training flights, practice firing and missile launchings and to augment the purchases of ammunition, fuel and other materials for this purpose.
2. A raise in salary for personnel and other measures to recruit field specialists for the army and keep them in it (645 million dollars in fiscal 1981 and 2.7 billion in 1982).
3. The modernization of military equipment (2 billion dollars in 1981, 13.7 billion in 1982). This point has been interpreted primarily as the Defense Department's contribution to the renovation of the U.S. industrial base by placing additional orders for various types of military equipment.

4. The augmentation of the naval fleet from 456 combat ships to 600 by 1987 (367 million dollars in 1981 and 3.8 billion in 1982).

It is completely obvious that the geographic location of the United States does not require this kind of intensive buildup of military strength to ensure its security. The sweeping arms race programs proposed by the Republican Administration testify to its desire to promote the obsessive but futile hope of achieving military superiority to the Soviet Union in terms of strategic forces and general-purpose forces.

Modernization of the Military-Industrial Base

In connection with the sweeping plans for arms purchases, the Reagan Administration is giving special attention to the enhancement of military production capabilities in the nation.

The United States now has a highly developed military-industrial base which is capable of producing all modern types of weapons and covering the needs of not only the American armed forces but also the forces of many other capitalist countries (for example, U.S. military exports in 1980 totaled 15.3 billion dollars).⁶ Most of the weapons (up to 90 percent) are produced by private industrial corporations in four branches--aerospace,⁷ radioelectronics, shipbuilding, and the conventional arms industry.⁸ In fiscal year 1981, 2.2 million people in the private sector were working directly on military orders,⁹ and the cost of Defense Department contracts exceeded 97 billion dollars. Tens of thousands of companies are involved in military production, but the lion's share of the contracts go to the hundred largest contractors (around 66 percent of the total). They occupy an extremely strong position in national economic and political life and constitute the nucleus of one of the main elements of the military-industrial complex. After acquiring the opportunity to participate actively in the development of military programs over the last 20-25 years and to even initiate them at times, arms producers are jealously guarding the high and constantly rising level of military allocations and contracts.

Now that the American Administration has begun a new round of the arms race, it is planning a number of measures to improve the technology and organization of military production in order to modernize the military-industrial base. These include, in particular:

The elimination of the obstacles which would keep the United States from doubling or tripling its military output in a state of emergency;

The guarantee that up to 50 percent of the GNP could be used for military purposes for 2 or 3 years after this need should arise;

The reduction of the time necessary to mobilize the economy.¹⁰

For the last 3 years a debate, instigated by militaristic circles, has been waged in the nation over questions connected with the present state and future potential of American industry with regard to the rapid growth of the arms output. A number of statements by economists and military experts have provided an extremely

critical judgment of the state of military production, obviously exaggerating its weak points. This entire campaign is supposed to provide another "argument" to convince the American taxpayer of the need for a dramatic rise in military spending. In an article in West Germany's STERN magazine, P. Koch had this to say about this kind of propaganda: "Whenever American politicians or military leaders want to gain authorization for the purchase of new weapon systems, they suddenly discover the alleged superiority of the Soviet Union. This game has been going on for 30 years now." This time they are saying that emergency measures are needed for the "reconstruction" of the military industry. This branch, just as any other, has its weaknesses and the bottlenecks characteristic of capitalist economic management, which periodically intensify and subside. At the beginning of the 1980's, however, militaristic propaganda in the United States depicted them on an exaggerated scale as crucial problems which supposedly had to be solved because they were endangering U.S. security and which would require billions of additional dollars for their resolution.

Let us examine the principal "fears" expressed during the debate with regard to the state of the U.S. military-industrial base.

First of all, can industry respond adequately to increased military orders with a rapid increase in the arms output?

In contrast to some "pessimists," M. Weidenbaum, former chairman of the President's Council of Economic Advisers (he retired in July 1982), believes that industry can make effective use of the additional military appropriations proposed by Ronald Reagan. According to his estimates, the load of capacities in the processing industry in 1981 was approximately 80 percent, in comparison to 90 percent in 1965, when military production began to be developed in connection with the beginning of the U.S. war in Vietnam.¹¹ Furthermore, the level of unemployment is now over 9.8 percent, as compared to 4.5 percent in 1965. Capacities are considerably underloaded in the main branches of the military industry. For this reason, temporary difficulties should be expected only on the level of subcontractors, the number of which had definitely decreased by the end of the 1970's in a number of military production sectors. To a significant degree, this occurred when small firms were crowded out of the military business by large corporations which had expanded their own output of several components and parts for military equipment during the process of production diversification.

Past experience tells us that the American military industry is capable of increasing the arms output substantially within a relatively short period of time. For example, during the first 3 years of the war in Vietnam, the output of military planes increased 2.3-fold and the output of conventional weapons increased 4-fold, including a 7-fold increase in ammunition production, by 1968. Furthermore, the output of the main types of weapons during this period covered both the dramatically growing needs of American troops and the requests of foreign purchasers. The number of persons employed in the aircraft industry rose only 40 percent at this time, and the rise was only 39 percent in the military industry as a whole.¹² It is doubtful whether this industry needs large injections of capital for modernization, particularly at a time when the world public is demanding that the arms race be curbed, and the USSR is proposing specific ways of accomplishing this.

Secondly, there is the "drawback" that some components and parts for weapon systems take longer to deliver. How serious is this problem?

Obviously, the underloaded capacities of general contractors do not signal the possibility of immediately increasing the arms output in line with large additional allocations; this particularly applies to the production of complex weapon systems, in which thousands of subcontractors are participating. In a study by J. Gansler, former deputy assistant secretary of defense in the Nixon Administration,¹³ and in a number of other works, data are cited which indicate that the lead time¹⁴ of some military components became from twice to six times as long in the second half of the 1970's, and this often occurs in industrial sectors with underutilized capacities.

In part, this is due to the completely natural decrease in orders for some types of weapons in connection with the U.S. withdrawal from the Vietnam war: This decrease was followed by the withdrawal of several subcontractors from the military business. Several other factors have also lengthened the time required for the delivery of military equipment. They include the constant weakness of traditional market stimuli of capitalist production in the military sector; the presence of loopholes in the contract system which allow for the extension of additional deadlines without the fear of losing the "client," because even the peculiar type of competition which takes place in the military sphere is only present during the bidding stage. The production and sale of military equipment, on the other hand, are accomplished without competition because payment is guaranteed by a contract. In addition, corporations often fail to observe delivery schedules because of the Pentagon's tendency to make numerous changes in the required tactical and technical characteristics of weapons during the stage of series production and the related technological difficulties.

What is more, the problem of "lead time" did not arise all of a sudden. It has existed for more than a decade in American military production and has always been solved with the aid of various organizational measures. Even now, it does not require billions of additional dollars in military allocations. When the problem of financing a specific weapon system is solved, many of the mechanisms of the contract system go into effect, resulting in uniform deliveries of components and the manufacture of finished items. According to reports in the American press, the "lead time" for several items in the U.S. military industry had already decreased in the second half of 1981 to the customary level in this branch, which has never worried the Pentagon before.

Thirdly, several American experts are warning that the dependence of U.S. military production on foreign suppliers is too great and is "dangerous."

According to some estimates, imports cover 50-100 percent of the nation's need for 23 of 40 strategic materials.¹⁵ But the problem of supplying the United States with some raw materials was present even before. Now this problem is being utilized more actively to justify the dramatic growth of the Reagan Administration's military budget.

Imports of components and elements of special equipment for weapons have also increased. According to data in the American press, the U.S. military industry acquires around 90 percent of the semiconductors used in the manufacture of modern

radar equipment, submarine detection equipment and missile guiding systems from countries in the Far East.¹⁶ This dependence on imports, however, apply to only some types of military equipment and stems from several causes. Some of these components are produced by overseas branches of American firms, which allow the United States to use cheaper local labor, and other items are foreign products with price and quality advantages over American-made items. For example, radio-electronic components for military equipment are not imported because they cannot be produced in the United States, but because American corporations, particularly military firms, derive economic advantages from this practice.

At the same time, the relatively lower prices, better quality and, consequently, greater competitive potential of some imported components for various weapon systems are a direct result of the U.S. practice of diverting colossal resources, particularly scientific and technical resources, for military purposes. This practice has a negative effect on technological progress in general and, in this case, on the competitive potential of many American goods. Nevertheless, Washington is trying to solve a problem arising from excessive military spending by means of a new increase in this spending.

In addition to correcting the abovementioned "bottlenecks" in military production, U.S. Government and business circles are planning a group of organizational measures to enhance its effectiveness. Many proposals on this matter have already been reflected in the appropriate recommendations. For example, the abovementioned report by C. Weinberger states the need for improvements in the process of military purchases and the development of administrative and legislative measures to ensure the rapid mobilization of industry. By a presidential decision, a mobilization agency was created in December 1981 to coordinate these measures.¹⁷

In addition to all this, long-term contracts for military equipment deliveries and the creation of long-term funds for the purchase of the necessary components and materials have been planned, particularly on the level of subcontractors in the military industry. There is no question that these measures will be applauded by arms manufacturers because they will guarantee orders for several years in advance and will give them a fairly precise idea of the scales of purchases. Up to the present time, long-term contracts have only been used in shipbuilding programs. The construction of the first nuclear submarine of the Trident system proved, however, that even this did not keep private companies from exceeding estimated costs and work schedules (a delivery delay of one and a half years and a cost increase of 35 percent--from 1.47 billion dollars to 2.05 billion). Additional incentives are also planned for capital investments by private firms in the military industry, for example, by the government assumption of the investment risk. This kind of "division of labor," in which the government assumes the risk and the companies earn even larger profits, enhances the appeal of military business but inflicts additional damage on the civilian sector.

To enhance the effectiveness of military purchases, the group of possible suppliers of major components is to be expanded, because the acquisition of these components from several competing sources, according to American estimates, could produce a savings of up to 30 percent. The implementation of this recommendation, however, will unavoidably come into conflict with the existing vicious circle in which the enhanced effectiveness of military purchases requires a higher number of competing

suppliers but the power of the major military corporations and limited resources inevitably reduce the number. The struggle between major military companies for defense contracts is essentially quite different from market competition in the civilian sector; this is why such categories as manufacturing schedules and prices are given much less attention in the military market than in the market for civilian products.

All of this indicates that the alleged urgent need for the "reconstruction" of the American military-industrial base cannot justify a dramatic increase in military spending. The military-industrial sector of the U.S. economy has never experienced a shortage of funds. As for such undesirable tendencies for the administration as the permanent and rapid rise in the prices of military products, the increase in lead time, the absence of competition in the military market and so forth, they are not the result of a shortage of funds and they certainly cannot be corrected by an increase in military spending. It is more likely that this will intensify these processes as a result of fiercer competition between military and civilian sectors for some types of scarce resources.

Of course, the military monopolies will try to absorb any additional allocations, but they will not respond to this with a rapid and balanced increase in production volume because the schedules of Pentagon contracts and the rates of series weapon production depend not only on the existence of funds, but also to a considerable degree on several military and technical factors and on the peculiarities of the military contract system in the United States. In the belief of former Secretary of Defense Schlesinger, "it is a terrible thing that our attempted rapid increase in military purchases will simply raise prices in some sectors of our industry without a substantial increase in output."¹⁸ The abovementioned J. Gansler acknowledges that the more extensive financing of military industry in itself will not increase purchases of less complex military equipment but will escalate inflation.¹⁹

In terms of scale and nature, the current administration's military-economic programs represent nothing other than a new round of the arms race, increasing international tension and the danger of war. In this connection, we should recall L. I. Brezhnev's words in his speech at the 17th trade-union congress: "Objectively speaking, the line of creating more tension in the international atmosphere, escalating the arms race and disrupting normal contacts between states will not benefit anyone. And this certainly includes the Americans. But it could create many problems for all mankind."²⁰

In spite of all this, the U.S. military-industrial complex is striving for the further escalation of the arms race in order to compound its dividends from the military business. The purpose and goal of the reckless and peace-endangering behavior of ruling circles in the United States and some other imperialist powers are accurately described in the Soviet memorandum entitled "Averting the Mounting Nuclear Threat and Curbing the Arms Race," submitted to the second special session of the UN General Assembly on disarmament. It says: "All of this militaristic activity is aimed at putting a material foundation under the aggressive strategic concepts which are based on adventurism and are thoroughly permeated with the militaristic fever with which their authors are afflicted."²¹ It is completely obvious that this fever is not the best state of health for government policymakers.

The American leadership must take the economic and political realities inside and outside its own nation into account.

FOOTNOTES

1. NEWSWEEK, 8 June 1981, p 12
2. NATIONAL JOURNAL, No 6 (20), 1981, p 1105.
3. THE NEW YORK REVIEW OF BOOKS, 14 May 1981.
4. NEWSWEEK, 8 June 1981, p 13-14.
5. "Budget Issues for Fiscal Year 1982. Hearings Before the Committee on the Budget, House of Representatives," Washington, 1981, pp 311-315.
6. ARMED FORCES JOURNAL, August 1981, p 65.
7. One part of this branch is the missile industry, which is discussed in G. A. Gornostayev's economic survey in issue No 4 for 1982--Editor's note.
8. Armored equipment, artillery and ammunition.
9. C. Weinberger, secretary of defense, "Annual Report to the Congress. Fiscal Year 1983," Washington, 1982, p B-8.
10. AVIATION WEEK AND SPACE TECHNOLOGY, 22 June 1981, p 27.
11. THE ECONOMIST, 16 May 1981, p 55. By the middle of 1982 the load of capacities in many branches of U.S. industry dropped to 70 percent.
12. Authors' calculations based on American statistics.
13. J. Gansler, "The Defense Industry," Cambridge, Massachusetts, 1980.
14. The interval between the time the order is placed and the beginning of deliveries--that is, what could be called the start-up period of the contract.
15. U.S. NEWS AND WORLD REPORT, 17 August 1981, p 25.
16. Ibid., p 26.
17. C. Weinberger, Op. cit., pp 1-13.
18. NEWSWEEK, 8 June 1981, p 22.
19. SEA POWER, March 1981, p 47.
20. PRAVDA, 17 March 1982.
21. PRAVDA, 18 June 1982.

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U.S. MIDDLE EAST POLICY IN THE 1970'S

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 82 (signed to press 20 Sep 82) pp 117-118

[Review by A. K. Kislov of book "SShA. Blizhnevostochnaya politika v 70-ye gody" by R. V. Borisov, Moscow, Nauka, 1982, 216 pages]

[Text] The Middle East, which Washington has regarded as one of the most important regions of the world from the standpoint of the interests of American imperialism, particularly in the context of the confrontation between the two systems, socialist and capitalist, for virtually the entire postwar period, took an even more important place in U.S. global strategy in the 1970's. Throughout this decade, regardless of what kind of administration was in the White House, Republican or Democratic, Middle East problems were invariably high on the list of American foreign policy priorities. It was apparently no coincidence that President Carter frankly said at one of his press conferences in 1979 that, during the first 2 years of his stay in the White House, he had spent more time seeking solutions to problems in the Near and Middle East than any other international problems.

This was not a search for a just, and therefore lasting, peace in the Middle East, however, but an attempt to broaden and strengthen American imperialist positions in this part of the world, prolong the access of the United States and other imperialist powers to its exceedingly rich oil resources and undermine the national liberation movements of the Middle Eastern peoples. For this purpose, Washington used a variety of "traditional" and neocolonial methods and means: diplomatic maneuvers, overt military and economic pressure, economic and commercial expansion and the use of puppets in this part of the world. It is therefore understandable that the Soviet public is interested in the distinctive features of U.S. Middle East policy, the instruments used in its pursuit and, finally, the actual results of this policy, particularly since the situation in this region, which is located directly south of the Soviet Union, has the most immediate relationship to international peace and security.

In the last few years several interesting works on various aspects of this problem have been published in the Soviet Union. The monograph by R. Borisov, recently issued by the Nauka publishing house, is the latest timely and useful contribution to the study of contemporary U.S. policy in the Middle East. This monograph is distinguished above all by the author's thorough knowledge of his subject matter. It is well documented and is based on the study of numerous sources, many of which

are cited here for the first time. This solid foundation gives the author an opportunity to move toward a more thorough understanding of some extremely important aspects of U.S. Middle East policy, particularly American-Israeli relations. For example, the author expresses the interesting view that "we cannot agree with the researchers who are inclined to underestimate the significance of the American steps in the direction of a departure from its lopsided emphasis on Israel and the development of relations with Arab countries. It would be equally wrong to regard the 'equidistant approach' only as one of the propaganda measures used to conceal the pro-Israeli emphasis in U.S. policy" (p 148), since "long-term U.S. interests in the Arab East obviously conflict with the policy of unconditional support for Israel" (p 138).

On the basis of a serious and logical analysis of the U.S. approach to the problem of settling the Middle East conflict, R. Borisov illustrates the "complex and often contradictory nature" of U.S. policy (p 132) in this matter, just as the American approach to the Middle East in general. The author's comparison of Carter's Camp David strategy with the "partial settlement" tactic worked out and implemented by the previous administrations of R. Nixon and G. Ford (p 186) should contribute to an understanding of the nuances of U.S. Middle East policy. The author also analyzes the details and implications of some other aspects of this policy.

Unfortunately, however, not all sections of the monograph are of equal value. Some are less detailed and more simplistic and contain statements which can be defined as debatable at best. For example, the author says that the United States did not take the risk of "an open confrontation" with OPEC (p 28), that the shah's Iran "objected to raising the price (of oil--A. K.) as a means of struggle against imperialism" and worked toward a price "freeze" (pp 64 and 90), and so forth. There are also some poorly worded statements which could lead to faulty interpretations of various matters. One example is the author's statement (p 134) that "the Palestine resistance movement, which had been weakened by its involvement in the events in Lebanon, posed no real threat to Israel as a state." Even in this context, it is hardly proper to speak of this movement as a "real threat to Israel as a state."

It would be difficult, however, to expect a work dealing with such a broad range of subject matter to contain non ambiguous statements. On the whole, the Soviet reader will find this an interesting study of an important and pertinent matter which will give him a fuller and more accurate understanding of U.S. policy and its implications in one of the more explosive parts of the world.

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AMERICAN CHALLENGE

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[Review by Laszlo Tolnai (Hungary) of "Amerikai kihivas. 1980-1990" by Peter Rajchanyi, Budapest, Zrinyi katanai klado, 1981, 234 pages]

[Text] Peter Rajchanyi's book is quite timely in connection with the policy line of the American Administration, which cannot be regarded as anything other than a challenge, not only to the USSR and other socialist countries, but also to the entire world community. This new monograph covers an extremely broad range of problems: The author analyzes U.S. foreign policy goals for the 1980's, the evolution of military policy, U.S. military spending, the development of military science and technology, the plans to strengthen NATO, the differences of opinion within this aggressive bloc and many other issues. After tracing current trends, Peter Rajchanyi forecasts the development of processes connected with the further militarization of the U.S. economy, investigates the effect of the latest concepts and doctrines on remilitarization and analyzes various aspects of contemporary international politics.

The author writes that since the middle of the 1970's the United States has been working on a long-range program to overcome the crisis resulting from the defeat in Vietnam, which essentially consists in attempts by various circles to regain the lost role of "world policeman." In an explanation of these aims, the author proves that the United States is striving for strategic superiority not only to threaten the socialist countries and the world, but also to take the position of an unquestioned leader in the international arena and impose its will even more vigorously on its European allies and Japan.

The current American leadership is trying to depict any international event which is contrary to U.S. interests as a "Moscow plot" threatening the "national security" of the United States. The author cogently exposes the hypocrisy of this practice.

A large part of the book is devoted to an analysis of the military policies and doctrines put forth in the United States since the end of World War II and of the changes they made in the foreign policy line of various administrations. It was precisely under the influence of this kind of doctrine that the "reassessment of American military strength" took place in the last third of the 1970's and led to

adjustments in American military policy. The author describes how the Carter Administration was already planning to continue the development of strategic nuclear forces and strengthen American armed forces and NATO military potential so that they could be used in any part of the world whenever necessary, especially in the Middle East and Asia. This was precisely the purpose, the author writes, of the notorious presidential directive 59.

Peter Rajchanyi asks whether the United States will be able to carry out its plans to achieve superiority. In his reply to this question, he describes the widespread arguments in the United States and Western Europe about American strategy in the 1980's and then presents a discerning analysis of the American approach to the balance of forces between NATO and the Warsaw Pact.

One section of the book contains an analysis of the growth of military spending and the development of military equipment. Here are a few of the indicative figures cited in the book: U.S. direct military expenditures between 1969 and 1979 totaled 1.255 trillion dollars. According to the program drafted by the Carter Administration, these allocations were to exceed 900 billion dollars during the 1979-1984 period. Ronald Reagan believes that the figure proposed by the previous administration should be augmented by at least 200 billion dollars, as a result of which U.S. military spending in the next 5 years (1981-1985) should exceed the total military budget for the preceding decade and reach 1.3 trillion dollars.

The author illustrates the constant rise in expenditures on research and development in the military sphere in the last decade. Defense Department research and development expenditures increased from 8.5 to 9.5 billion dollars between 1970 and 1976 and rose to 11.8 billion in 1980. In 1981, 45 percent of all the allocations for research and development in the United States were earmarked for military purposes. The author compares military research and development projects in the United States and the USSR and presents a detailed description of the Pershing missiles, cruise missiles (Tomahawk), MX missile systems and neutron weapons.

The author has much to say about the plans to build up NATO military strength. He writes that in matters connected with the "rearming" of NATO, the United States is guided by the consideration that the reinforcement of this bloc through greater military commitments on the part of its Western European partners would allow the United States to free part of its military contingent for the "protection" of its notorious "vital interests" in other parts of the world.

The situation within NATO, according to the author, is determined by two factors. American "hawks" believe that the structure of military strength does not correspond to the international balance of forces which took shape in the 1970's, but there is no agreement within NATO on how NATO armed forces should be used and there is no common opinion regarding the scales and goals of the development and deployment of new weapons. The author presents a detailed discussion of the American long-range program for arming NATO, the distribution of expenditures and "redistribution of commitments" and the military and economic cooperation of partners.

In this book Peter Rajchanyi discusses major issues of a military-political nature. Precisely these issues will affect the entire structure of international relations in the coming decade. The author presents his own views logically, supporting them with abundant factual material. P. Rajchanyi's study answers many questions connected with U.S. foreign policy in coming years.

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CANADIAN COMPUTER STUDY OF INTERNATIONAL CONFLICT DESCRIBED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 82 (signed to press 20 Sep 82) pp 122-126

[Article by A. S. Kozhemyakov and M. A. Khrustalev: "International Conflict as an Object of Applied Study (Research Findings of Canadian Political Scientists)"]

[Text] The broad spectrum of conflict studies, as one field of bourgeois political science, includes applied studies involving the construction of "general theories of conflict." In addition to works which have become "classics" in the West (studies by American political scientists C. Wright, T. Schelling, R. Strausz-Hupe, W. Kintner, A. Rapoport, K. Boulding and others), a new current has taken shape in several Western countries, including Canada, in recent years, within the framework of which researchers try to overcome the defects of existing theoretical and conceptual systems by discarding their obvious flaws and complications of the study of international conflicts. One of the results of this kind of investigation by bourgeois scholars is the Canadian CADIC model (Comparative Analysis of Dyadic Interstate Conflict).

The CADIC project has provided some material for the evaluation of the results of this kind of investigation, particularly in view of the fact that it corresponds to one of the main trends in the development of the Western science of international relations--with the aim of establishing methods for the formalized analysis of international problems and, in particular, international conflicts. Within the near future, a computer will perform all of the routine operations involved in the preliminary analytical work, which is still being performed by people and could, considering the present capabilities of computer equipment, be performed successfully by machines. The necessary technological base (within the context of analytical technology) will also be established for the creation of formalized, and then quantified models, and consequently for the creation of man-machine dialogue systems on international relations. In essence, CADIC is an attempt to create this kind of formalized and quantified model.

The CADIC conflict analysis project was begun by Canadian researchers in 1971.* In all, around 40 scientists from Canada as well as the United States, France and Switzerland are working on the project. The authors of the project are Canadian scientists A. Legault, D. Stein, D. Sigler and B. Steinberg. The persons working

* Some of the premises of this model are cited on the basis of information taken from ETUDES INTERNATIONALES, No 4, 1973; No 1, 1979.

on the project have made use of numerous bourgeois works on conflict (the works of around 50 authors), which gives the CADIC project the nature of a summary.

A distinctive feature of the project is its emphasis, beginning with the first methodological premises, on the subsequent use of computers, and for this reason the authors are making extensive use of formalized methods. The information base consists of independent findings and the vast data banks of the American WEIS, COPDEB and CREON projects.* The object of analysis in the CADIC project is the interstate conflict involving only two countries, which means that the authors are consciously disregarding the fact that a real conflict generally concerns a larger number of participants.

The principal aim of the project is the study of the mechanism by which certain conflicts develop and progress toward violence or, on the contrary, the relaxation of tension. The authors want to find the "predictable variables which can explain the escalation or de-escalation of a conflict or the simultaneous existence of both tendencies." The main variable, in their opinion, is conflicting or cooperative behavior.

One of CADIC's distinctive features is the synthesis of various theoretical and procedural features of present-day Western conflict analyses. For example, its authors try to combine the premises of two main currents of bourgeois conflict analysis: behaviorist (by arming themselves with its general "stimulus-response" model) and the "decision-making" school (by borrowing its idea that a conflict in interstate relations arises when the central goals of a state are threatened). The combination of the premises of both schools is regarded by the authors as CADIC's main achievement, in which actions are analyzed with a view to foreign policy goals.

Citing the works of G. Snyder, P. Diesing, E. Morse, R. Berringer and others, the authors of the project provide an abstract definition of conflict as "antagonism engendered by the simultaneous pursuit of incompatible goals in the same area." They singled out the crucial stage (the period of particularly strained or tense relations) of the "conflict" or "conflict system" (as a broader term). Without excluding the possibility of the progression of the crisis to the military stage, the authors do not seek to explain the conflict itself or war, but "the processes capable of increasing or decreasing the intensification of the escalation of conflict."

The authors base their definitions of the phases of conflict on statements from works by R. Tanter, L. Bloomfield, A. Leiss, G. Snyder, P. Diesing and others. They distinguish between seven phases of conflict, depending on the intensity and type of behavior (arousal, confrontation, hostility, separation, compromise, settlement, cooperation), and they try to substantiate the possibility of the inconsistent progression from phase to phase and the return to previous phases. The authors stress the importance of the presence of "critical action" for the

* WEIS--World Events Interactions Survey, COPDEB--Conflict and Peace Data Events Bank, CREON--Comparative Research of the Events of Nations.

transition to the purely "critical phase" and the influence of verbal and physical behavior in the delineation of stages of conflict. In more general terms, the conflict is divided into the pre-crisis stage, the crisis and the post-crisis stage. All concrete conflicts are studied in the project within the bounds of a single period--1 year--but the length of the crisis itself can differ and depends on the specific conflict. In their opinion, this procedure provides for the standardization of data on the development of various conflicts and ensures the comparability of their development.

The categorization of behavior is based largely on the achievements of the school of "event-related data" and on statements from the works of E. Azar, T. Sloan, P. Burgess, R. Lawton, C. Kigley, C. McClelland, D. Frei, D. Ruloff and others. The authors of the project focus their attention on the "distribution of various categories of behavior" and the frequency of interaction.

The creators of the CADIC model believe that the Western school of analysis of "events-related data" attaches too much significance to the classification and categorization of data according to content, although various types of interaction cannot be measured on the same scale. Attention must be given to the ratio of some categories of behavior to others (the percentage of various categories in the total chain of events), which provides, the authors believe, for the more valid assessment of the future intensity of individual types of behavior. The Canadian researchers use the most general system for the classification of conflicting and cooperative behavior, guided by the exigencies of their search for the increasing or decreasing intensity (or tension) of various types of behavior during separate phases of the conflict. Their scale of behavior includes conflicting and cooperative actions and statements as well as a neutral category (consultation and commentary).

The scale represents 13 types of behavior in the following order: punishment, interference, mobilization, threats, negative behavior, commentary, consultation, appeals for reconciliation, positive behavior, pledges, demobilization, concession, compensation. All behavior is coded in such a way as to record the agent of the behavior (or actor), the type of behavior, its purpose or its object (it can be direct or indirect depending on whether it is the primary or secondary object). The stage (or phase) of the conflict is also recorded.

This system for the classification of behavior, which takes not only its essential characteristics (or content) into account, but also the phase of the conflict, allows the authors to codify events and move on to the principal aim of the project, namely the assessment of the intensity (or tension) of conflicting and cooperative behavior. The creators of the project associate these assessments with future tendencies toward the escalation or de-escalation of the conflict (and this is the main purpose of the project) and use them in the construction of a number of general hypothesis regarding the possible development of the conflict. By investigating individual events as part of a "behaviour network" rather than as isolated occurrences, the authors of the project worked out a scale to measure intensity (with a view not only to the frequency of behavior but also to the types of resources involved), which measures the relative proportions of conflicting and cooperative behavior during specific phases of the conflict. The assumption is that the intensity of behavior will depend on the types of resources involved

(sociocultural, political-diplomatic, economic and military). The use of the above-mentioned indicators of intensity can serve as a basis for the calculation of the coefficient of conflicting and cooperative behavior depending on intensity during different phases of the conflict or during the conflict as a whole. These coefficients, in other words, indicate the proportion accounted for by each type of behavior with consideration for abovementioned parameters in the total spectrum of behavior at any stage of the conflict.

The authors believe that the assessment of the intensity (or force) of various types of behavior during the course of the conflict and during individual stages introduces something new into the study of conflict. The prevalence of particular types of behavior during individual stages provides the basis, in their opinion, for general conclusions about typical types of behavior during different phases of conflict development and, on this basis, the prediction of escalation or de-escalation. One of the goals of the research in connection with this was the empirical verification of the hypothesis that specific types of behavior (or action) exist during individual phases of the conflict, which the authors believe can serve as a basis for the prediction of the escalation or abatement of the conflict.

Among the independent variables influencing the intensity of conflict behavior, the goals of participants are assigned primary significance in the project. Furthermore, it has been stressed that the authors' contribution to the study of conflict is based primarily on a detailed investigation of goals and the connections between this category and other variables. They proceed from E. Azar's premises, which are characteristic of bourgeois science, that the goals of conflicting parties (or states) reflect primarily the standards, values and interests of their political leadership and reveal the "outlines of the internal and external environment" anticipated by the political leadership in line with its wishes and aims. Any goal also presupposes actual or potential action for the realization of the desired outcome.

The basic premises of the creators of the CADIC model are based on a view of conflicting parties as "players" pursuing their own goals, with consideration not only for the goals they pursue, but also for their perception and assessment of the possibility of their attainment within a particular situation--that is, with consideration for the participant's resources, his potential to act, the conditions in which he can use his potential, the degree to which it can be used and the limitations on its use.

The authors also take into account the subjective elements of goal-setting, considering the fact that participants choose their mode of behavior not only on the basis of past experience but also on the basis of their vision of the future, with a view to the resources and potential revealed during the development of the conflict. At the same time, according to the authors, CADIC "does not seek to find the cause and effect relationship in the process by which priorities are set as such. They are regarded as data or, one could say, as explanatory variables which must be compared with actual behavior."

During the classification process, distinctions are drawn between goals connected with territorial problems, political control, physical resources, human resources (social, religious and ethnic groups, individual politicians, etc.) and so-called

"system goals," which the authors associate with the "role of participants in the international system" and the assessment of the "quality of their interaction, problems in the maintenance or modification of the international organization and the fundamental issues of the status and prestige" of states. Therefore, whereas the functions of the goals reflect their general purpose (defense, preservation, conquest), the "nature of goals" allows for their distribution among more specific categories.

The authors associate the disclosure of the conflict's essence with the central premise regarding the "incompatibility of goals pursued by states within a single area." This necessitates a distinction between compatible and incompatible goals. Goals directed at a single object in the pre-conflict and post-conflict periods are examined with a view to the "conquest or defense" function, and the evolution of relations in connection with the "requirements and defense" of state goals during various phases of the conflict is investigated.

The project assesses the "intensity of the network of compatible and incompatible goals," which is supposed to be examined on the basis of three criteria: the type of object or subject at which goals are aimed, the nature of the functions of goals aimed at this object and the degree of determination to attain goals. During the initial stages, the project puts forth a number of hypothesis subject to verification during the phase of research concerning the value of each group of goals for the development of the conflict--that is, its escalation or de-escalation. The degree of determination to attain goals is calculated according to the frequency with which goals are formulated during the given time period. The result should be a scale of intensity which depicts summary indexes and takes the differing significance of each criterion into account.

This stage logically leads to a study of the prevailing type of goals--compatible or incompatible. An average value is calculated to stand for the correlation of goal compatibility and incompatibility (from -1 to +1). This is done with a view to the actual and historical context: the relations between states over the 20 years preceding the conflict are studied and, in this way, the actual situation and the "historic goal distance" between states are taken into account.

The methods of analyzing the specific goals of conflicting parties are based on a content analysis of official documents published during the course of the conflict.

In addition to goals, other independent variables are also studied. For example, "ecological variables," measured in terms of various parameters, are widely used in bourgeois conflict analysis. The final assessment of the capabilities of states takes military expenditures into account, including expenditures per serviceman, as well as the size of armed forces, energy consumption, per capita GNP and foreign trade (data for each 5-year period since 1945) and includes an assessment of the proportion accounted for by each state in the worldwide significance of these variables and so forth.

The authors themselves mention the contradictory meanings and difficulty of assessing another independent variable, the so-called "distance" between participants, which consists of geographic proximity and economic, political, cultural and historical distinctions.

The variable which measures "polarization" is used to relate the intensity of the conflict in a dyad with the place occupied by the states in the system of international relations and to calculate the influence of other, indirect participants in the conflict. Neutral countries and countries having no connection (economic or military) with the direct participants are excluded from the possible indirect participants.

The authors of the project note that one of the aims of the initial stages of applied research was the corroboration of hypotheses regarding the influence of the state of independent variables on the summary indicator (the intensity of behavior) and on the evolution of the conflict.

Several general conclusions can be drawn from a critical analysis of the CADIC project. The CADIC model is quite complex and its analysis is highly formalized due to the general emphasis on the use of computers. Nevertheless, the authors also stress the great significance of the purely organizational, non-computerized (euristic, according to their terminology) stage of the research. The combination of these two stages makes special demands on the organizational stage, during the process of which the researcher's own views and outlook can play the deciding role and predetermine the results of the computerized stage.

This clearly reveals the major defect of the CADIC model of conflict analysis: the attempt to establish common and universal orders of conflict development in isolation from the correct theoretical perception of the essence of conflict, with no analysis of class antagonism--the main contradiction of the present era which is the primary cause of the concrete contradictions giving rise to the conflict. The absence of this kind of theoretical base unavoidably dilutes the very meaning of the conflict situation.

The emphasis on total formalization forced the authors of the project to resort to a number of arbitrary assumptions which oversimplify the conflict situation.

The authors of the project try to avoid the defects and shortcomings of other models of international conflict analysis worked out by bourgeois political scientists. Their improvements, however, most often take the form of compromises or partial solutions. In some cases the Canadian scholars consciously take a debatable and obviously transitory approach. For example, this is what they do when they assess the significance of objective and subjective factors in the determination of state goals and the role of the mode of behavior (or tactics) in the disclosure of these goals.

The CADIC project provides some idea of a common trend in Western science--the attempt to solve problems piecemeal, as it were, by means of "middle-level theories"--that is, essentially in the absence of a general theoretical base. This unavoidably leads to a number of arbitrary assumptions, the highly vague nature of many terms, etc. All of this tends to put the scientific accuracy of the model as a whole in question. Apparently, the authors of CADIC are aware of the contradictory nature of their concepts and are trying to compensate for the lack of quality with quantity--that is, the quantity of analyzed conflicts.

To some degree, the CADIC project is bourgeois science's latest word in this field. The interesting and positive--primarily in terms of analytical technique--work performed within the framework of the CADIC project is a noticeable step toward the development of computerized models of conflict analysis from the standpoint of specific research, formalization and coding methods (including the goals and behavior of states).

The limited nature of the authors' general theoretical position and their conceptual hypotheses, however, make the analytical and forecasting potential of their model quite conditional and debatable.

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'COMMON SECURITY.' A PROGRAM FOR DISARMAMENT

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[Second installment of abridgment of the report of the Independent Commission on Disarmament and Security Issues under the Chairmanship of Olof Palme; passages rendered in all capital letters printed in boldface in source]

[Text] Economic and Social Consequences of Military Spending

Poverty, unemployment, inflation and the threat of worldwide economic crisis--these are problems which undermine the security of people and governments in the economic and in the military sense. In the 1980's, these economic problems will not become less severe, but will be complicated as a result of increased military spending. The present increase in this spending is threatening the economic security of all countries. The economic difficulties of the 1970's proved that the benefits of postwar growth can no longer be taken for granted. Under these conditions, the sacrifice of human, material and technological resources for the sake of military expenditures will most likely be particularly costly, both for rich nations and for the countries that are still living in poverty.

Worldwide military expenditures are so colossal that they have almost acquired a kind of depressing familiarity. In 1982 they will exceed 650 billion American dollars--this is more than the entire income of the 1.5 billion people living in the 50 poorest countries. The price of a single modern fighter plane would be enough to pay for the inoculation of 3 million children against major childhood diseases. The cost of a single nuclear submarine and its missiles could provide the elderly with 100,000 working years of medical care.

The present increase in military spending has come at a time of economic difficulties unprecedented in the postwar period. The "crisis" in the world economy, described by the "Brandt Commission" in 1980, is even more serious today. Despite rapid economic growth in a number of developing countries, the income gap between the rich and poor countries is not decreasing. World trade declined in 1981 for the first time in 20 years. Some developing countries do not have enough commodity exchange with other countries to acquire food and invest funds in agriculture.

The economies of the developed countries have been growing far more slowly since the beginning of the 1970's than they did in the 1950's and 1960's. Productivity

growth rates are lower than they were in the earlier postwar period, and the rate of unemployment has never been this high in the entire postwar period. The governments of most industrially developed countries in the West are facing huge budget deficits; they are bearing the burden of a large national debt with high interest rates. Inflation is much higher than during the period of the last increase in military spending in the mid-1960's.

Economic cost is being regarded as the main indicator of military efforts. Spending more money on defense is becoming an end in itself. The relative efforts of allies and adversaries in the area of security are measured by the percentage of the gross national product spent on military purposes, or the general level of military expenditure, calculated in a single currency. The calculations are based on extremely and at present unavoidably inaccurate comparisons of the military establishments of different countries. Military security is measured more in terms of "input" (money spent) than in terms of the final result in the form of "security" or at least military products and services. It is possible that this might be inevitable in an arms race in which the quality of armies is determined by the meters of accuracy of missiles that have never been fired, or by the potential to destroy 14,000 or 16,000 cities. But this competition in spending is likely to reduce the economic efficiency of expenditures on military security even more. Furthermore, it validates the false and dangerous goal of "inflicting costs" on the enemy by means of an accelerated and economically debilitating arms race. (The rest of this chapter contains detailed discussions of the adverse effect of the arms race on inflationary processes, employment, capital investments, technological progress and economic growth.)

The review of Chapter V is being omitted because its main statements are summed up in Chapter VI.

Recommendations and Proposals

A New Beginning

We are deeply concerned about trends in the development, deployment and proliferation of weapons. These trends are exacerbated by the deterioration of political relations. If states are unable to reverse them, the world might be heading for catastrophe. Steps must be taken without delay to prevent this. The problems we are facing have been created by man himself. Humanity is capable of containing the danger and embarking upon a program for the reduction and ultimate elimination of the forces of destruction. The efforts made up to this time have been too feeble, and their results have been too meager, for the commission to simply recommend renewed commitment and greater endeavor. It will not be enough to continue the earlier pattern of action.

We realize that there are restraining factors, competing interests and mutual suspicion, which permeate international relations. We see the need for a new beginning in the peaceful struggle against war and destruction.

Principles for Action

Common Security

All states have a right to security. In the absence of a world authority possessing the right and power to maintain order in international relations, states have

to protect themselves. However, until they display mutual restraint and the proper understanding of the realities of the nuclear age, the pursuit of security could serve as a pretext for intensified competition and the exacerbation of political relations, and could eventually undermine the security of all sides concerned.

Nuclear weapons have changed not only the scales of warfare but the very concept of war itself. In the nuclear age, war cannot be an instrument of policy; it can only lead to unprecedented destruction. States can no longer pursue security at each other's expense; it can only be attained through joint effort. Security in the nuclear age means common security. Even ideological opponents and political rivals have a common interest in survival. There must be cooperation in the struggle against war itself. The search for arms control and disarmament is a search for common advantages, and not unilateral benefits. A DOCTRINE OF COMMON SECURITY MUST REPLACE THE PRESENT POPULAR CONCEPT OF DETERRENCE THROUGH ARMAMENTS. INTERNATIONAL PEACE MUST REST ON A COMMITMENT TO COMMON SURVIVAL RATHER THAN ON THE THREAT OF MUTUAL DESTRUCTION.

General and Total Disarmament

In its final document, the first special session of the UN General Assembly on disarmament requested the Committee on Disarmament to elaborate a comprehensive program leading to general and total disarmament. The committee completed this task in April 1982. THE COMMISSION DEFINITELY SUPPORTS THE GOAL OF GENERAL AND TOTAL DISARMAMENT. We realize that this goal will not be attained in the near future. However, the dream of a world in which international relations are based on law and order, cooperation and the pursuit of political goals by peaceful means must be cherished. It must be pursued and it must be used as a criterion of efforts to reach international agreements on arms limitation and disarmament. Progress in this direction will necessitate a concrete and comprehensive program of action reflecting the entire complex of reciprocal ties between many crucial elements of the present situation. We must emerge from the impasse and cause the arms race spiral to unwind.

Economic Costs and Common Security

The economic and social costs of military competition give countries serious reason to seek disarmament. The cost of military spending is particularly perceptible under the difficult economic conditions of the 1980's. Of course, the cost differs for different countries. Some costs, however, are common to almost everyone: These are the use of government revenues, the diversion of scarce scientific and technical personnel from socially useful pursuits and the failure to make capital investments which could otherwise be used to promote economic growth. Each country will progress toward the reversal of the arms race in a different way. For all countries, however, the economic advantage will be tremendous.

Linkage Is an Obstacle

Deliberate attempts to link specific talks on the limitation and reduction of arms with the behavior of the adversary in the international arena are inconsistent with our interpretation of common security. Arms limitation and reduction talks

require a high degree of continuity and stability. They are not a gift to an adversary or a reward for his good behavior, but a means of achieving common security, consistent with mutual interests. It is the task of diplomacy to limit, separate and localize conflicts, and not to find a common denominator for them and combine them. Preliminary political agreement cannot be made a prerequisite for arms limitation talks. Indeed, agreements on arms limitation and disarmament could facilitate the resolution of unresolved issues. THE COMMISSION REGARDS THE CONCEPT OF POLITICAL LINKAGE TO BE AN UNSOUND PRINCIPLE WHICH SHOULD BE ABANDONED.

To some extent, the prospects for arms limitation and disarmament will always depend on the general political climate. However, all states have an interest in preventing the arms race from dominating their relations and driving them into armed conflicts. Talks and agreements on arms limitation and reduction could be an instrument for the improvement of relations and the restoration of trust. When tension occurs, it is particularly important to maintain communication and continue negotiating.

Elements of a Program for Arms Control and Disarmament

The commission's recommendations as a whole represent a broad program for considerable advancement toward arms limitation and disarmament. These recommendations fall into six categories: 1) the nuclear challenge and East-West relations; 2) qualitative limits on arms competition; 3) confidence among states; 4) a stronger UN security system; 5) regional approaches to security issues; and 6) economic security.

1. The Nuclear Challenge and East-West Relations

There can be no winner in a nuclear war. The use of nuclear weapons could bring about devastation and so much suffering that any idea of victory would be rendered meaningless. Given the present size of nuclear stockpiles and the virtual inevitability of devastating retaliation, it is futile and dangerous to regard nuclear war as an instrument of national policy. Nuclear war would be an unprecedented catastrophe for mankind and suicide for those who started it.

There Can Be No Winners in a Nuclear War

If states were ever to cross the nuclear threshold, they would be taking an unpredictable route. The very process of destruction would make prior calculations and attempts to exercise control futile. We reject all ideas about so-called "windows of opportunity" for nuclear war. Any doctrine which alleges that a nuclear war can be won is a dangerous challenge to the common sense and responsibility on which all approaches to international peace and security must be based in the nuclear age. WE HAVE CONCLUDED THAT IT IS IMPOSSIBLE TO WIN A NUCLEAR WAR AND THAT IT IS DANGEROUS FOR STATES TO ADHERE TO A POLICY OR STRATEGY BASED ON THE FALSE ASSUMPTION THAT NUCLEAR WAR CAN BE WON.

There Can Be No Limited Nuclear War

THE IDEA OF A LIMITED NUCLEAR WAR IS DANGEROUS. Nuclear weapons are not weapons of warfare. As soon as the nuclear threshold has been crossed, the dynamic of

escalation will inexorably propel events toward a catastrophe. Doctrines and strategies of limited nuclear war therefore have dangerous implications. Their acceptance would diminish the threat and perceived risk of nuclear war and blur the distinction between nuclear and "conventional" conflicts, thereby lowering the nuclear threshold.

Even if there were the understanding that nuclear war could not be controlled, states would still have to try to limit a war if it should break out. Paradoxically, however, the preparations for this, which would consist in the acquisition of certain weapons and control systems, could be dangerous because they could be interpreted as a belief in the possibility of limited nuclear war as a means of deliberate policy.

Nuclear deterrence cannot provide a long-term basis for peace, stability and equality in the international community. It must be replaced by the concept of common security.

Therefore, the inevitable conclusion is that nuclear weapons must be eliminated. But we are fully aware that this can only be achieved through a gradual process, which must begin with concrete steps.

1.1. The Reduction and Qualitative Limitation of Nuclear Forces

Nuclear weapons are part of established reality. The nuclear arms race is still going on. In the fullest sense of the term, the nuclear shadow is hanging over all political and armed conflicts in our age. The greatest concern has been evoked by the development and deployment of weapons which could lower the nuclear threshold and simultaneously increase the danger of nuclear war. The greatest danger would be for people anywhere to become so accustomed to an endless arms race that they would be complacent about the threat posed by this race or would lose faith in their own ability to bring about a reversal. But people are not doomed to live by the dangerous laws of nuclear weapons. They have one choice, and essentially one duty--to curb and eliminate the horrifying force of destruction which nuclear weapons represent.

We believe that there is an urgent need for agreements on specific and substantial reductions of nuclear weapons and limitations on their qualitative improvement with a view to the maintenance of parity on the lowest possible level. This limitation of the arms race would lay the basis for further steps toward the cessation of nuclear arms production and an agreement on their ultimate elimination. The spiral of the arms race must be unwound. States cannot limit their efforts to the management of existing high armament levels. The main topic of future talks and agreements must be the considerable reduction of these weapons and limitations on their qualitative "improvement."

1.2. Reductions and Qualitative Limitations on U.S. and Soviet Strategic Forces

Nuclear deterrence cannot solve the problem of international security permanently. The consequences of the failure of this policy are too horrifying to leave the system unchanged. The world must reject a system which equates the maintenance of peace with the practice of holding millions of people and the fruits of their labor

as hostages for the good behavior of governments of states possessing nuclear weapons.

The process of strategic arms limitation is therefore indispensable. This process is also important because it has become a key factor in relations between the United States and the Soviet Union, affecting the very structure and climate of international relations. The SALT agreements of 1972 and 1979 represent an important beginning. They must be preserved, just as the process of curtailing the nuclear arms race must be continued.

Negotiations on this matter must be resumed without any kind of prior conditions or further delays. The purpose of the negotiations must be twofold: FIRSTLY, THE NEGOTIATING PARTIES SHOULD REAFFIRM THE IMPORTANT LIMITATIONS ENVISAGED IN THE SALT II TREATY AND AGREE ON ANY NECESSARY CLARIFICATIONS OR ADJUSTMENTS OF THE TREATY IN THAT CONNECTION: SECONDLY, THE NEGOTIATING PARTIES MUST MAKE AN EFFORT TO WORK OUT ANOTHER TREATY, ENVISAGING THE ESTABLISHMENT OF AN ESSENTIAL BALANCE AT LOWER AND MORE STABLE LEVELS OF ARMED FORCES. PARTICULAR EMPHASIS SHOULD BE PLACED ON REDUCTIONS AND QUALITATIVE LIMITATIONS THAT WOULD REDUCE THE DANGER OF A POSSIBLE "FIRST STRIKE"--AN ATTEMPT TO DISARM AN OPPONENT OR FORESTALL A POSSIBLE ATTACK BY MEANS OF A SURPRISE PRE-EMPTIVE ATTACK. ANY NEW AGREEMENT SHOULD ALSO CONTAIN PROVISIONS TO ENSURE THE RELIABLE VERIFICATION OF THESE REDUCTIONS AND QUALITATIVE LIMITATIONS, AND IT SHOULD ALSO PROHIBIT THE DEPLOYMENT OF WEAPON SYSTEMS WHICH COULD CIRCUMVENT NEGOTIATED LIMITATIONS AND REDUCTIONS OR EXCLUDE THE POSSIBILITY OF VERIFICATION.

Subsequent agreements should lead eventually to the elimination of strategic nuclear weapons by stages at which the arsenals of states possessing nuclear weapons are limited to small, secure strategic forces in accordance with the principle of equal security.

1.3. The Anti-Ballistic Missile Treaty Should Be Upheld

The 1972 treaty on the limitation of anti-ballistic missile systems is an important agreement designed to reduce the possibility of nuclear war and keep the arms race from acquiring broader dimensions. This treaty does not suggest that world peace and security should be based on the ability of the great powers to inflict unacceptable destruction on one another. It does, however, reflect the fact that there will be no effective means of defense against ballistic missiles in the foreseeable future. States therefore must coexist in an atmosphere of mutual vulnerability, proceeding from the belief that the achievement of common security is a matter of life or death for humanity.

The anti-ballistic missile treaty is a substantial and necessary element of a viable system of common security. The abrogation of this treaty would undermine the process of strategic arms reduction and limitation. THE ABROGATION OF THE ANTI-BALLISTIC MISSILE TREATY COULD DESTABILIZE THE INTERNATIONAL SITUATION AND INCREASE THE DANGER OF NUCLEAR WAR. WE URGE THAT THIS TREATY BE UPHELD.

1.4. Parity in Conventional Forces in Europe Must Be Established at Lower Levels

The major military confrontation between East and West is taking place in Europe between NATO and the Warsaw Pact. The concentration of military power in Europe

is the greatest in history. The commission recognizes the existence of complex interaction by various elements of the armed forces of both sides--both nuclear and conventional--as well as by the military structures of the two alliances. The precise calculation of the balance of East-West forces on the European continent would be extremely difficult. After all, this is connected with numerous factors, including aspects of economy, geography, technology, traditions, military organization and varying interpretations of danger. Approximate parity at much lower levels and a reduced risk of nuclear war will necessitate a comprehensive approach to arms limitation and reduction.

We are convinced that a large-scale conventional war on the densely populated European continent would be extremely destructive and would most likely evolve into a nuclear war. It would affect not only the states possessing nuclear weapons and their allies, but also neutral and non-aligned countries. War is an unacceptable alternative for the resolution of political conflicts in the nuclear age. THE ARMIES WHICH ARE CONFRONTING ONE ANOTHER IN EUROPE TODAY ARE MUCH LARGER THAN A REALISTIC ASSESSMENT OF BASIC SECURITY REQUIREMENTS WOULD DICTATE. RADICAL MUTUAL REDUCTIONS OF FORCES WOULD REINFORCE COMMON SECURITY.

Since 1973 the two alliances in Europe have been negotiating an agreement in Vienna on the mutual reduction of armed forces and arms in Central Europe. They have reached a consensus on most of the basic principles on which this kind of agreement would be based. It would envisage two stages of reduction with the aim of establishing equal collective ceilings of 900,000 men, with subceilings of 700,000 ground force personnel in the reduction zone, and related measures to ensure the observance of negotiated provisions by the two sides and to strengthen mutual confidence. The sides still have to agree on the present number of troops located in the reduction zone, on details of the connection between the two stages of reduction and on the scope of the related measures. The commission believes that unresolved issues could be resolved satisfactorily in the presence of the political will to do so. A continued stalemate in these talks will seriously undermine public faith in arms reduction negotiations. WE URGE THE STATES PARTICIPATING IN THE TALKS TO CONVENE A MEETING OF FOREIGN MINISTERS IN ORDER TO RESOLVE DIFFERENCES AND CONCLUDE AN AGREEMENT BEFORE THE END OF 1982.

An agreement specifying the parity and reduction of conventional armed forces in Central Europe should be accompanied by a pledge to abstain from the movement of weapons and troops into regions where they might diminish the security of other European countries. Agreement in Vienna on conventional armed forces in Central Europe would lay the basis for, and facilitate the negotiation of, agreements on the withdrawal of nuclear weapons from Europe and the reduction of these weapons. The probability of such agreements would be greater if the talks on conventional force reductions would emphasize the reduction of the elements of the military structures of both sides that appear to pose the greatest threat.

1.5. Reducing the Nuclear Threat in Europe

Nuclear arsenals in Europe are ominously large. Furthermore, the commission is deeply concerned about the nuclear plans and doctrines that are dangerously and erroneously based on the assumption that a limited nuclear war can be fought and "won." In the event of a crisis, they could drive opposing forces across the

nuclear threshold. The commission is convinced that the nuclear arsenal must be reduced substantially for the purpose of freeing Europe, and eventually the entire world, of nuclear weapons.

A necessary prerequisite for this is a negotiated agreement on mutual reductions of armed forces for the purpose of establishing and guaranteeing the approximate balance of the conventional forces of the two main alliances on a lower level.

This is why the COMMISSION SUPPORTS A NEGOTIATED AGREEMENT FOR APPROXIMATE PARITY IN CONVENTIONAL FORCES BETWEEN THE TWO ALLIANCES. THIS AGREEMENT WOULD FACILITATE THE REDUCTION OF NUCLEAR WEAPONS AND THE REORDERING OF THE PRIORITY NOW ASSIGNED TO NUCLEAR WEAPONS IN MILITARY PLANS.

The commission has spent a great deal of time and effort in the examination of various alternative ways of bringing about these changes. These alternatives include the creation of zones free of nuclear weapons, which are discussed in the section on regional security measures. In this context, it should be remembered that some European countries do not belong to any of the military alliances and have refused to acquire nuclear weapons.

Here we propose a functional approach, concentrating on specific types and classes of weapons. OUR PROPOSAL FOR THE GRADUAL ELIMINATION OF THE NUCLEAR THREAT IN EUROPE INCLUDES THE CREATION OF ZONES FREE OF BATTLEFIELD NUCLEAR WEAPONS, MEASURES TO PREVENT THE LOWERING OF THE NUCLEAR THRESHOLD AND REDUCE INCENTIVES FOR THE USE OF NUCLEAR WEAPONS DURING THE INITIAL STAGES OF THE CONFLICT, AS WELL AS SUBSTANTIAL REDUCTIONS IN ALL CATEGORIES OF INTERMEDIATE (MEDIUM)- AND SHORTER-RANGE WEAPONS WHICH ARE THREATENING EUROPE.

A) THE CREATION OF A ZONE FREE OF BATTLEFIELD NUCLEAR WEAPONS IN EUROPE¹

We are calling special attention to the dangers posed by the nuclear weapons whose delivery systems are deployed in large quantities in forward positions in Europe. They are battlefield nuclear weapons. Many of the nuclear munitions of NATO and the Warsaw Pact in Europe are of this category. These weapon systems are designed and deployed to provide support to ground forces in direct contact with enemy troops. Their systems have ranges of up to 150 kilometers and consist primarily in short-range missiles, mines and artillery. Most of their delivery means have a dual purpose--that is, they can fire either conventional or nuclear munitions.

Because battlefield nuclear weapons are deployed in forward positions, there is the danger that they can be neutralized by the opponent in the early stages of an armed conflict. It would be difficult to control the use of such weapons in the "fog of war." It might seem necessary to give battlefield commanders the authority to use nuclear weapons and to use them in the initial stage of the armed conflict. The danger of crossing the nuclear threshold and of the further escalation of the conflict would increase dramatically. In connection with this, it should be remembered that regions located on the border between East and West in Central Europe are densely populated and contain large industrial centers.

THE COMMISSION RECOMMENDS THE CREATION OF A BATTLEFIELD-NUCLEAR-WEAPON-FREE ZONE, STARTING IN CENTRAL EUROPE AND EXTENDING ULTIMATELY FROM THE NORTHERN TO THE

SOUTHERN FLANKS OF BOTH ALLIANCES. This plan would be carried out within the framework of an agreement on parity and mutual force reductions in Central Europe. No nuclear munitions would be allowed in the zone.² The storage of nuclear arms in the zone would also be prohibited. No maneuvers simulating nuclear operations would be allowed in the zone. Preparations for the deployment of nuclear demolition munitions and the storage of such weapons would be prohibited.

B) THE MAINTENANCE OF A CLEARLY DEFINED NUCLEAR THRESHOLD

IN ORDER TO CONTAIN THE GROWTH AND REDUCE THE DANGER OF NUCLEAR CONFRONTATION IN EUROPE, IT WILL BE IMPORTANT TO DRAW A CLEAR DISTINCTION BETWEEN NUCLEAR AND CONVENTIONAL WEAPONS. WE URGE THE STATES POSSESSING NUCLEAR WEAPONS TO REFRAIN FROM DEPLOYING WEAPONS WHICH BLUR THIS DISTINCTION BY APPEARING TO BE MORE "USABLE." SO-CALLED "MINIATURE" NUCLEAR MUNITIONS AND ENHANCED RADIATION (NEUTRON) WEAPONS FALL INTO THIS CATEGORY.³

C) THE REDUCTION OF INTERMEDIATE (MEDIUM)-RANGE NUCLEAR WEAPON SYSTEMS

The commission welcomes the commencement of U.S.-Soviet talks on intermediate-range nuclear weapons and urges the sides to assign the highest priority to the conclusion of an agreement. Competition in the deployment of these weapons can seriously undermine the political and military stability of East-West relations, particularly in Europe. Negotiations should reduce the number of all weapons of this type with a view to the establishment of essential parity at the lowest possible level, and PREFERABLY AT A LEVEL WHICH WOULD CAUSE THE NATO ORGANIZATION TO FORGO THE DEPLOYMENT OF NEW INTERMEDIATE-RANGE MISSILES IN EUROPE. FURTHERMORE, WE ASK THE NEGOTIATING PARTIES TO AGREE ON A BAN ON THE DEPLOYMENT OF OTHER NEW SHORT-RANGE NUCLEAR WEAPONS IN THE REGIONS WHERE THEY COULD THREATEN THE SAME TARGETS THAT ARE THREATENED BY INTERMEDIATE (MEDIUM)-RANGE WEAPONS.

In addition to reaching an agreement on intermediate-range nuclear weapons in Europe, the sides should pledge to continue negotiations on the limitation of all other nuclear forces which threaten Europe, including sea-based cruise missiles. All nuclear weapons deployed in or against Europe should be taken into account, including French and British forces.⁴

1.6. A Chemical-Weapon-Free Zone in Europe

The world might be on the verge of a new major arms race in the area of chemical weapons. The commission considers chemical weapons to be particularly barbarous and it condemns any use of these inhumane weapons. Chemical weapons (including toxic contact and nerve gasses) fall between conventional and nuclear weapons, although they share some of the properties of both. Chemical weapons can be delivered by the majority of conventional delivery systems. Their consequences are characteristically indiscriminate and unpredictable because they depend on weather conditions. Some chemical weapons can continue poisoning the atmosphere for a long time. According to some estimates, if chemical weapons were to be used in densely populated Europe, the ratio of civilian to military fatalities could be as high as 20 to 1. Furthermore, the use of chemical weapons would blur the distinction between conventional and nuclear warfare. This would increase the danger of the evolution of one type into the other.

Chemical weapon stockpiles include containers of chemical substances from which munitions can be charged and, for instance, artillery shells, missile warheads, aerial bombs and mines that have already been loaded with chemical agents. Since they are highly toxic, special precautions are required during their storage and handling. This is why it is generally assumed that chemical weapons in Europe are stored in a small number of central depots. Information about the method of distributing chemical weapons to troops on the battlefield is vague and contradictory. The development of so-called "binary" munitions, however, could pave the way for their more extensive distribution to troops. These munitions are filled with two less toxic chemicals, which create a lethal nerve gas when they are combined, but only after the munition has been fired.

THE COMMISSION CALLS FOR THE CREATION OF ZONES FREE OF CHEMICAL WEAPONS IN EUROPE, BEGINNING WITH CENTRAL EUROPE. An agreement would have to include a statement about the location of existing chemical stockpiles and depots in Europe, the proper means of verifying their destruction and a procedure for the continuous monitoring of compliance with the agreement, including a few local inspections on demand. It would also prohibit the training of troops in the offensive use of chemical weapons.

1.7. Confidence- and Security-Building Measures in Europe

The commission regards the Final Act of the 1975 Helsinki Conference on Security and Cooperation in Europe and the follow-up process as an important stage in the creation of a system of measures to safeguard security in Europe. The Final Act points the way from confrontation toward cooperation and common security. The states participating in the conference have established and observed a system of measures to strengthen confidence with regard to military exercises. At the follow-up meeting in Madrid, which will reconvene in November 1982, the participating states are negotiating the mandate for a conference on disarmament and confidence- and security-building measures. THE FIRST STAGE WILL BE DEVOTED TO THE NEGOTIATION OF AN AGREEMENT ON CONFIDENCE AND SECURITY BUILDING MEASURES WHICH WILL APPLY TO ALL OF EUROPE, WILL HELP TO STRENGTHEN MILITARY SECURITY, WILL BE VERIFIABLE AND WILL REPRESENT A LONG-TERM, BINDING COMMITMENT. THE COMMISSION REGARDS THESE EFFORTS AS AN IMPORTANT CONTRIBUTION TO THE DEVELOPMENT OF A SYSTEM AND PRACTICE OF COMMON SECURITY IN EUROPE. THE SECOND STAGE WILL BE DEVOTED TO THE NEGOTIATION OF MEASURES FOR SUBSTANTIAL DISARMAMENT IN EUROPE.

2. Qualitative Arms Race Limitations

Competition in armaments implies the improvement of the characteristics of weapons and the augmentation of their quantity. Contrary to the principles of common security, states are still trying to guarantee their survival and increase their influence by developing or acquiring increasingly effective and lethal weapons. The nuclear-weapon states are still developing new types of nuclear weapons and means of delivery. They are striving to develop new means of warfare in space and in other new spheres of human activity. All of this has been accompanied by a rise in the number of states which are increasing their potential to develop their own nuclear weapons in the future.

All of these tendencies are aggravating the current tension in political relations between states and are making the avoidance and resolution of conflicts even more

difficult. The appearance of new military capabilities can contribute just as much as the quantitative growth of weapons to regional instability and increase the fear of war and the suspicion of the other side's hostile intentions. If states are to live in an atmosphere of common security, the arms race must be limited both in the qualitative and in the quantitative sense.

It would be difficult to determine the particular points in the military research and development process at which states could agree to exercise restraint and at which the observance of such agreements could be verified. An obvious exception is the point at which the prototypes of new weapons are tested in the field. During this critical stage, the possibility of limiting the development of new weapons or the improvement of existing ones should be used more widely. Indeed, agreements have already been concluded which limit the qualitative aspects of competition in armaments during the testing stage: the Partial Test Ban Treaty of 1963, the Threshold Test Ban Treaty of 1974, the ABM Treaty of 1972 and the SALT II Treaty of 1979.

Furthermore, just as in the case of quantitative limitations, states are unlikely to be willing to exercise unilateral restraint for long periods of time. THE MAJOR NUCLEAR STATES HAVE A SPECIAL RESPONSIBILITY, BUT ALL STATES MUST SEEK QUALITATIVE LIMITATIONS. JOINT STEPS MUST BE TAKEN BY NUCLEAR AND NON-NUCLEAR STATES, WEAPON EXPORTERS AND PURCHASERS, THE EAST AND THE WEST, GREAT POWERS AND SMALL STATES.

2.1. A Treaty on a Comprehensive Nuclear Test Ban

The conclusion of a treaty prohibiting all nuclear tests would considerably complicate the appearance of new models of weapons in the arsenals of nuclear states. This would be a major constraint on qualitatively new and more sophisticated nuclear weapons. This could also contribute much in limiting the improvement of existing nuclear weapon reserves. Therefore, it would make the Non-Proliferation Treaty, which is supposed to limit the spread of nuclear weapons, more acceptable and reliable.

THE COMMISSION BELIEVES THAT EFFORTS MUST BE CONCENTRATED ON THE NEGOTIATION OF A TREATY banning all nuclear tests. This kind of treaty is necessary to prevent a new round of the arms race, which could exacerbate East-West relations, reduce stability and undermine the Treaty on the Non-Proliferation of Nuclear Weapons.

The commission welcomes the April 1982 decision of the Committee on Disarmament to create a SPECIAL working group to draft a nuclear test ban treaty. The commission hopes that it will soon be possible to negotiate and conclude the comprehensive nuclear test ban treaty that people throughout the world have awaited in vain for more than a quarter of a century.

In support of this kind of treaty, we urge the immediate resumption of the tri-lateral negotiations between the United States, the Soviet Union and the United Kingdom on the complete and total prohibition of nuclear tests for the purpose of settling all unresolved matters, including the question of verification. The elimination of all remaining obstacles will require a display of political will. The commission believes that an effective system of verification and confidence-building measures can be established with the aid of arrangements which include the

international exchange of seismic data, negotiated procedures for consultations and local inspections and a network of national seismic stations.

DURING THE PERIOD BETWEEN THE COMPLETION OF THE NEGOTIATIONS AND THE OFFICIAL RATIFICATION OF THE NUCLEAR TEST BAN TREATY, ALL NUCLEAR POWERS MUST PARTICIPATE IN A VOLUNTARY MORATORIUM ON ALL NUCLEAR TESTS.

2.2. A Ban on Anti-Satellite Weapon Systems

Space has become an important area of East-West military competition. The armed forces of the great powers are becoming increasingly dependent on space-based support. Satellite systems have opened up a wide range of possibilities for the verification of compliance with agreements, early warning, communications and control. If these satellites were to be threatened, this could lead to the substantial expansion of the strategic arms race into space, as each side would strive to protect its own satellite systems.

Between 1977 and 1979 the Soviet Union and the United States discussed the prohibition of anti-satellite systems. Time is running out. THE COMMISSION RECOMMENDS THE RESUMPTION OF THESE TALKS, WITH PRIORITY GIVEN TO THE SUSPENSION AND PROHIBITION OF ANTI-SATELLITE SYSTEM TESTS. IT IS ESSENTIAL THAT THIS BAN GO INTO EFFECT BEFORE IRREVERSIBLE TECHNICAL PROGRESS HAS BEEN MADE. THE TALKS SHOULD ALSO BE AIMED AT THE CONCLUSION OF AN AGREEMENT PROHIBITING THE DEPLOYMENT OF ANTI-SATELLITE SYSTEMS AND ENVISAGING THE DISMANTLING OF EXISTING SYSTEMS.

There is no question that other bans on weapons and activity in outer space will be required. The use of outer space is giving rise to a number of complex technical problems and related views. THE COMMISSION URGES THE LARGE INDUSTRIAL STATES TO BEGIN A DIALOGUE FOR THE PURPOSE OF DETERMINING AND PREVENTING MILITARY USES OF SPACE THAT MIGHT ENDANGER INTERNATIONAL PEACE AND SECURITY. THIS DIALOGUE SHOULD LEAD TO THE PROHIBITION OR LIMITATION OF SPECIFIC WEAPON SYSTEMS OR ENTIRE AREAS OF ACTIVITY.

2.3. A Treaty Prohibiting Chemical Weapons

Existing agreements for the limitation of chemical and biological weapons and the destruction of their stockpiles are among the few measures guarding against the danger of arms race escalation. The use of chemical and biological weapons in war is prohibited by the 1925 Geneva Protocol and associated standards of customary international law. The possession of biological weapons, including toxin weapons, is prohibited by the 1975 Biological Convention. However, the possession of chemical weapons is not prohibited, and a number of states have reserved the right to resort to their use if they should be attacked with chemical weapons. Most states are party to these agreements and pledged, by the terms of the 1975 convention, to continue negotiations "in good faith" to prohibit the possession of chemical weapons.

Since World War I chemical weapons have been used only in conflicts in the developing world. All reports of their alleged use also concern Third World states. Therefore, a new arms race in the area of chemical weapons would endanger the entire world, but especially the developing countries.

The pressure to accumulate chemical weapons could undermine existing agreements. IT IS ESSENTIAL THAT NEGOTIATIONS BE ACCELERATED FOR THE PURPOSE OF EXTENDING AND REINFORCING EXISTING AGREEMENTS BY MEANS OF A COMPREHENSIVE CHEMICAL DISARMAMENT TREATY WHICH WOULD IMPOSE A TOTAL BAN ON THESE WEAPONS. This would require the resumption of the stalled bilateral talks between the United States and the Soviet Union. When the last round of these negotiations was held in July 1980, the two sides had agreed in principle on the use of on-site inspections as one method of verification. Of course, bilateral talks are no substitute for renewed efforts within the Committee on Disarmament to negotiate a comprehensive chemical disarmament treaty, but they can strengthen these efforts.

These talks are connected with the resolution of complex technical problems and sensitive political issues, and it will take time to conclude them successfully. For this reason, WE ALSO URGE AGREEMENT ON CONSULTATION PROCEDURES, SO THAT PROBLEMS CONNECTED WITH THE FULFILLMENT OF THE GENEVA PROTOCOL AND THE BIOLOGICAL WARFARE CONVENTION CAN BE RESOLVED THROUGH INTERNATIONAL COOPERATION. THESE PROCEDURES COULD INCLUDE THE POSSIBILITY OF CONSULTATIVE MEETINGS OF EXPERTS UNDER THE AUSPICES OF THE UNITED NATIONS, OPEN TO ALL STATES.

A CHEMICAL DISARMAMENT TREATY SHOULD CONTAIN PROVISIONS FOR THE CREATION OF A PERMANENT CONSULTATIVE COMMISSION composed of all parties to the treaty and served by a small technical staff. This commission should ensure the observance of the treaty and continuously monitor compliance. It could also be responsible for the establishment of an effective grievance procedure.

The appropriate verification measures should be agreed upon for each stage of the implementation of a chemical disarmament treaty. The verification of declared reserves, the destruction of these reserves and production capacities, and the subsequent observance of provisions prohibiting the production of chemical weapons must be conducted under adequate international control. Verification measures should combine voluntary confidence-building measures with national verification measures and negotiated international procedures.

The developing states have a special interest in ensuring the observance of a treaty on the elimination of chemical stockpiles and the prohibition of the production of chemical weapons. Since only a few developing states have the technology for the development of reliable national means of verification, international procedures will also be necessary to protect their interests.

Over the last 15 years the scientific understanding of molecular and cellular processes of life has grown tremendously. As yet, there are no data on the military use of this knowledge. If biology should be used for military purposes, however, monstrous new weapons could come into being. Our well-being and our economic and social development could be dramatically retarded. THE COMMISSION CALLS FOR AN INTERNATIONAL CONVENTION TO PROHIBIT ANY SECRET DEVELOPMENT OR EXPERIMENTATION IN THE MILITARY USE OF MOLECULAR BIOLOGY AND RELATED SCIENCES.

2.4. Ensuring Universal Observance of the Non-Proliferation Treaty

The prevention of the spread of nuclear weapons is a critical element in any international effort to stop the nuclear arms race and maintain international

peace and security. Progress in this direction will require the assumption of commitments and responsibilities by states, both those which possess nuclear weapons and those which do not.

The problem of nuclear proliferation has two facets, which are frequently called vertical and horizontal proliferation. Vertical proliferation means the growth of the nuclear stockpiles of nuclear states. Horizontal proliferation means the spread of nuclear weapons to new states. Efforts to stop both kinds of nuclear proliferation led to the conclusion of the 1970 Treaty on the Non-Proliferation of Nuclear Weapons, in accordance with which non-nuclear states pledged to refrain from acquiring such weapons and the nuclear states pledged to halt and reverse the qualitative improvement and quantitative growth of nuclear weapons.

The Non-Proliferation Treaty is the foundation of the widespread international interest in maintaining a negative attitude toward the spread of nuclear weapons. At present, 118 states are party to the treaty. However, France and China, which do possess nuclear weapons, and a number of important near-nuclear states have still not signed or ratified the treaty. THE COMMISSION URGES ALL STATES TO ADHERE TO THE NON-PROLIFERATION TREATY.

2.5. Ensuring the Security of the Nuclear Fuel Cycle

International cooperation is needed to reduce the danger that the peaceful use of nuclear energy could lead to the diversion of nuclear materials for military purposes. PARTICULARLY SENSITIVE STAGES OF THE NUCLEAR FUEL CYCLE MUST BE PUT UNDER THE CONTROL OF AN INTERNATIONAL AUTHORITY. THIS COULD INCLUDE THE CREATION OF INTERNATIONAL NUCLEAR FUEL BANKS, AN INTERNATIONAL PLUTONIUM STORAGE PLAN AND INTERNATIONALLY CONTROLLED STORAGE FACILITIES FOR SPENT NUCLEAR FUEL. Regional organizations could make a significant contribution to the preparation of such international measures, which should be coordinated by the International Atomic Energy Agency with the aid of its Committee on Assurance of Supply.

Participants in the International Fuel Cycle Evaluation conferences held in 1977-1980 acknowledged that fuel which could be used for military purposes requires special control procedures. The Committee on Assurance of Supply of the International Atomic Energy Agency could become the main negotiating and regulating body in this area, representing supplier states as well as recipients. This kind of cooperation would be consistent with Article IV of the Non-Proliferation Treaty, which stresses the need for equitable cooperation in the use of nuclear energy for peaceful purposes.

2.6. Conventional Arms Transfers Must Be Limited

In the past decade the volume of arms transfers has more than doubled. In cost terms, the volume of arms transfers is now close to 30 billion dollars a year, and the cost of orders is much higher. More than three-quarters of all arms transfers are sent to developing countries.

In our opinion, there is an urgent need for concerted efforts to develop a fair system of principles and restraints governing arms exports, based on cooperation among recipients and suppliers.

THE STATES SUPPLYING WEAPONS SHOULD BEGIN NEGOTIATIONS TO ESTABLISH THE CRITERIA WITH WHICH THESE STATES COULD REGULATE ARMS TRANSFERS ON AN EQUITABLE BASIS. LIMITATIONS ON THE QUANTITATIVE AND QUALITATIVE ASPECTS OF TRANSFERS, GEOGRAPHIC REGIONS AND MILITARY FACTORS MUST BE DEFINED. The principles governing arms transfers should include:

No significant increases in the quantity of weapons transferred to particular regions;

No introduction of advanced weapon systems into a region where they help to create qualitatively new or significantly higher levels of combat potential;

Special restrictions on the transfer of lethal weapons to warring sides, with a view to the inalienable right of individual or collective self-defense;

The observance of UN resolutions and sanctions;

No transfers of the most inhumane or indiscriminate weapons;

The observance of special precautions in the transfer of weapons which would be particularly dangerous if they fell into the hands of certain individuals or groups, such as hand-held anti-aircraft weapons.

THE UNITED STATES AND THE SOVIET UNION DISCUSSED CONVENTIONAL ARMS TRANSFERS IN 1977-1978. THE COMMISSION SUPPORTS THE RESUMPTION OF THESE TALKS, WHICH SHOULD ALSO INCLUDE FRANCE, THE UNITED KINGDOM AND OTHER MAJOR SUPPLIERS OF WEAPONS. THERE IS ALSO A NEED FOR TALKS BETWEEN SUPPLIER STATES AND RECIPIENTS OF WEAPONS IN REGIONS WITH A PARTICULARLY HIGH DEGREE OF TENSION. RESTRAINT MUST BE EXERCISED ON A MULTILATERAL BASIS.

RECIPIENT COUNTRIES SHOULD ALSO ASSUME THE RESPONSIBILITY OF DEVELOPING GUIDELINES AND A CODE OF BEHAVIOR TO LIMIT THE FLOW OF ARMS AND AVOID ARMS RACES.

The concluding sections of the report are presented here in abridged form, citing the summarized basic proposals which are highlighted in the text.

THE COMMISSION URGES THE MAJOR INDUSTRIAL STATES TO BEGIN A DIALOGUE ON QUESTIONS CONNECTED WITH RESEARCH AND DEVELOPMENT PROJECTS PERTAINING TO ALL TYPES OF ARMED FORCES.

THE UN SECURITY COUNCIL SHOULD ENHANCE ITS ABILITY TO PREVENT CONFLICTS. ITS PERMANENT MEMBERS, IN PARTICULAR, SHOULD STRIVE TO DEVELOP MUTUAL UNDERSTANDING AND COOPERATION AMONG THEMSELVES AND ENCOURAGE THE ESTABLISHMENT OF MUTUALLY SUPPORTIVE COOPERATION WITH THE UN SECRETARY GENERAL TO FACILITATE THE IMPLEMENTATION OF INITIATIVES UNDER ARTICLE 99 OF THE UN CHARTER.

THE UN SECURITY COUNCIL SHOULD ADOPT AN INITIATING RESOLUTION, SPECIFICALLY CALLING UPON THE SECRETARY GENERAL TO IMMEDIATELY INFORM THE UN SECURITY COUNCIL OF POTENTIAL THREATS TO PEACE. BESIDES THIS, WE RECOMMEND THAT THE SECRETARY GENERAL SHOULD MAKE REGULAR REPORTS TO THE SECURITY COUNCIL ON THESE MATTERS THROUGHOUT THE YEAR. THE SECRETARY GENERAL SHOULD PERSONALLY DELIVER AN ANNUAL "STATE OF WORLD

AFFAIRS" MESSAGE TO A MEETING OF THE SECURITY COUNCIL WITH FOREIGN MINISTERS IN ATTENDANCE.

A KEY PROPOSAL IN OUR RECOMMENDATIONS IS ADHERENCE TO A SLIGHTLY MODIFIED VERSION OF THE CONCEPT OF COLLECTIVE SECURITY STIPULATED IN THE UN CHARTER. IT WOULD BE BASED ON POLITICAL AGREEMENT AND PARTNERSHIP BETWEEN THE PERMANENT MEMBERS OF THE SECURITY COUNCIL AND THE THIRD WORLD COUNTRIES. IT WOULD APPLY ONLY TO THIRD WORLD CONFLICTS ARISING IN CONNECTION WITH BORDER DISPUTES OR THREATS TO TERRITORIAL INTEGRITY CAUSED BY OTHER FACTORS. ITS PURPOSE WOULD BE TO PREVENT THE SETTLEMENT OF CONFLICTS BY ARMED FORCE. IT WOULD BE REINFORCED BY AN UNDERSTANDING--A KIND OF CONSENSUS--AMONG PERMANENT MEMBERS OF THE SECURITY COUNCIL TO SUPPORT COLLECTIVE SECURITY EFFORTS AND AT LEAST TO AVOID VOTING AGAINST THEM. COOPERATION BY PERMANENT MEMBERS OF THE SECURITY COUNCIL IS PARTICULARLY IMPORTANT. THEIR CONSENT IS A PREREQUISITE FOR THE EFFECTIVE FUNCTIONING OF THE UN MECHANISM IN THE MAINTENANCE OF INTERNATIONAL PEACE AND SECURITY.

THE COMMISSION RECOMMENDS THAT THE COUNTRIES MAKING UP VARIOUS REGIONS OR SUB-REGIONS OF THE THIRD WORLD CONSIDER THE POSSIBILITY OF PERIODIC OR SPECIAL REGIONAL CONFERENCES ON SECURITY AND COOPERATION, SIMILAR TO THE ALL-EUROPE CONFERENCE WHICH BEGAN IN HELSINKI IN 1975. REGIONAL CONFERENCES ON SECURITY AND COOPERATION COULD GIVE NEW MEANING TO THE CONCEPT OF COMMON SECURITY. PRIORITIES MUST BE DETERMINED BY THE COUNTRIES CONCERNED AND MUST REFLECT THE SPECIFIC CONDITIONS OF INDIVIDUAL REGIONS, BOTH WITH RESPECT TO AGENDA AND TO CONFERENCE PARTICIPANTS. THE UN SECRETARY GENERAL MUST BE INVITED TO PARTICIPATE.

THE COMMISSION BELIEVES THAT THE CONCEPT OF ZONES OF PEACE COULD CONTRIBUTE MUCH TO THE MAINTENANCE OF INTERNATIONAL PEACE AND SECURITY. POLITICAL DIFFICULTIES THAT MIGHT SEEM TO PRECLUDE THE REALIZATION OF THIS CONCEPT IN THE NEAR FUTURE SHOULD NOT, IN OUR OPINION, INHIBIT GROUPS OF STATES FROM CONTINUING THEIR EFFORT TO CREATE SUCH ZONES AS A LONG-TERM OBJECTIVE.

THE COMMISSION BELIEVES THAT THE ESTABLISHMENT OF NUCLEAR-FREE ZONES ON THE BASIS OF AGREEMENTS VOLUNTARILY CONCLUDED BY THE STATES OF THE REGION OR SUBREGION CONCERNED CONSTITUTES AN IMPORTANT STEP TOWARD NUCLEAR NON-PROLIFERATION, COMMON SECURITY AND DISARMAMENT. THE CREATION OF THESE ZONES COULD PROVIDE MUTUAL REASSURANCE TO STATES WHICH PREFER NOT TO ACQUIRE OR TO ALLOW THE DEPLOYMENT OF NUCLEAR WEAPONS AS LONG AS NEIGHBORING STATES EXERCISE SIMILAR RESTRAINT. THIS WOULD IMPROVE THE REGION'S CHANCES OF NOT BECOMING AN ARENA OF COMPETITION BY NUCLEAR STATES. THE NUCLEAR STATES WOULD HAVE TO UNDERTAKE A BINDING COMMITMENT TO RESPECT THE STATUS OF THE NUCLEAR-FREE ZONE AND NOT USE OR THREATEN TO USE NUCLEAR WEAPONS AGAINST THE STATES OF THIS ZONE.

THE COMMISSION BELIEVES THAT, JUST AS COUNTRIES CANNOT ACHIEVE SECURITY AT ONE ANOTHER'S EXPENSE, THEY ALSO CANNOT SAFEGUARD THEIR SECURITY THROUGH MILITARY STRENGTH ALONE.

COUNTRIES SHOULD CONSIDER CONVENING A HIGH-LEVEL CONFERENCE TO DISCUSS COMMON PROBLEMS OF ECONOMIC SECURITY AND THEIR COMMON INTEREST IN REDUCING THE REGIONAL COSTS OF MILITARY SPENDING.

The real social costs of the military use of resources differ substantially in different regions and should therefore be discussed on the regional level. REGIONAL CONFERENCES SHOULD PROPOSE DETAILED PROGRAMS FOR THE USE OF POSITIVE EXPERIENCE IN MILITARY PRODUCTION IN THE RESOLUTION OF ACUTE CIVILIAN PROBLEMS IN SPECIFIC REGIONS. THESE PROGRAMS SHOULD INCLUDE NATIONAL PLANS FOR THE CONVERSION OF SPECIFIC MILITARY FACILITIES--RESEARCH INSTITUTES OR OTHER MILITARY INSTALLATIONS--TO CIVILIAN PURPOSES.

The report concludes: "No country can hope to gain military advantages by overtaking its rival in an economically costly arms race. All countries are hurt by the economic difficulties of other large countries. Common security is not merely a matter of freedom from the fear of war. Its ultimate goal is a better life, a life of common security and common prosperity."

Appendix

Members of the Independent Commission on Disarmament and Security Issues

Chairman Olof Palme, Sweden. Member of parliament, former prime minister, chairman of the Swedish Social Democratic Party.

Members: Georgiy Arbatov, USSR. Member of the CPSU Central Committee, deputy of the USSR Supreme Soviet, academician and director of the Institute of U.S. and Canadian Studies, USSR Academy of Sciences.

Egon Bahr, FRG. Member of parliament, chairman of the Bundestag Subcommittee on Disarmament and Arms Control, former minister for economic cooperation.

Gro Harlem Brundtland, Norway. Member of parliament, former prime minister, chairman of the Norwegian Labor Party.

Jozef Cyrankiewicz, Poland. Former prime minister, former chairman of the State Council, chairman of the All-Poland Committee of Supporters of Peace.

Jean-Marie Daillet, France. Member of parliament, vice chairman of the parliamentary Defense Committee (resigned from the committee in January 1982).

Robert A. D. Ford, Canada. Ambassador, special adviser to the government on East-West relations, former ambassador to Colombia, Yugoslavia, Egypt and the USSR.

Alfonso Garcia-Robles, Mexico. Ambassador, chairman of the Mexican delegation to the Committee on Disarmament since 1967, former foreign minister.

Haruki Mori, Japan. Former ambassador to Great Britain, former deputy minister of foreign affairs.

C. B. Muthamma, India. Ambassador of India to Holland, former ambassador to Ghana and Hungary.

David Owen, Great Britain. Member of parliament, former secretary of state for foreign and Commonwealth affairs.

Olusegun Obasanjo, Nigeria. General, member of the Council of State, former head of state.

Shridath Ramphal, Guyana. Secretary general of the Commonwealth, former foreign minister.

Salim Salim, Tanzania. Minister of foreign affairs.

Soedjatmoko, Indonesia. Rector of the UN University in Tokyo, former ambassador to the United States.

Joop den Uyl, Holland. Member of parliament, deputy prime minister and former prime minister, leader of the Dutch Labor Party.

Cyrus Vance, United States. Former U.S. secretary of state.

Scientific Advisers: James F. Leonard, USA; Leslie Gelb, USA; Mikhail Mil'shteyn, USSR.

Scientific Consultants: Johan Holst, Norway.

Experts: Barry M. Blechman, USA; Emma Rothschild, Great Britain; Raimo Vayrynen, Finland.

FOOTNOTES

1. E. Bahr expressed a different view on this matter. He proposed "the withdrawal of all nuclear weapons from European states which do not themselves possess nuclear weapons" on the condition of approximate parity between NATO and Warsaw Pact conventional forces and the retention of these alliances.
2. G. A. Arbatov expressed doubts about the value of this proposal with regard to arms control because nuclear munitions could be quickly returned to this zone. This kind of agreement, which would be of little military significance, would be difficult to negotiate and could create the unfounded impression of stronger security. In his opinion, other, more effective measures are needed, such as radical reductions up to the complete prohibition of all medium-range and tactical nuclear weapons, which would signify a genuine zero-option for Europe.
3. Robert Ford, David Owen and Cyrus Vance made the following remark about the commission's recommendations on enhanced radiation weapons: "We do not advocate the deployment of these weapons at the present time. We believe, however, that from the standpoint of their supposed benefits for military effectiveness and their adverse effect on the risk of nuclear war, any other effects of enhanced radiation weapons are relatively insignificant in comparison to the basic problems raised by any nuclear weapon. Any decision to start nuclear war, and this would be the most difficult decision any political leader would ever have to make, would not be made more easily or more quickly because enhanced radiation weapons could be used instead of nuclear weapons of older design."

4. Joop den Uyl supports the commission's proposal for the gradual reduction of the nuclear threat to Europe. He reaffirmed his conviction that an overall balance of nuclear arms does not require precise parity of nuclear weapons on each level and for each type of weapon. He reaffirmed his objections to the deployment of new nuclear systems in NATO and Warsaw Pact countries.

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CHRONICLE OF SOVIET-AMERICAN RELATIONS; JUNE-AUGUST 1982

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 82 (signed to press 20 Sep 82) pp 140-143

[Text] June

2, 8, 10, 15, 17, 22, 24, 29--Plenary meetings of the Soviet and U.S. delegations to the Soviet-American talks on the limitation of nuclear weapons in Europe were held in Geneva.

2--Speaking at a luncheon honoring a party and governmental delegation from the CSSR, General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev announced: "We would like to believe that our restraint and our constructive moves will motivate the U.S. Administration to take a politically realistic stance and a more responsible approach to the problem of arms limitation and reduction. This would truly be in the public interest."

5--In a WASHINGTON POST article, U.S. Secretary of Agriculture J. Block remarked that the grain embargo instituted by the Carter Administration in 1980 had greatly injured not only the American farmers but also the entire U.S. economy: "The loss of each billion dollars from the export of grain cost the United States 350,000 jobs and resulted in additional economic losses."

8--In London, U.S. President Ronald Reagan addressed the English Parliament, calling for a "crusade" against communism.

9--Addressing the West German Bundestag, Ronald Reagan said that the United States could agree to a lower level of military confrontation if the Soviet Union, and not the United States, would disarm.

15--L. I. Brezhnev sent the second special session of the UN General Assembly on disarmament a message, in which he said that "the Union of Soviet Socialist Republics pledges not to use nuclear weapons first." L. I. Brezhnev stressed that "if other nuclear powers take an equally clear and precise pledge not to use nuclear weapons first, this will actually be tantamount to a general ban on the use of nuclear weapons, which is what the overwhelming majority of countries want."

16--Soviet Minister of Foreign Affairs A. A. Gromyko, member of the CPSU Central Committee Politburo, spoke at a plenary meeting of the second special session of the UN General Assembly on disarmament. On behalf of the USSR, he submitted a draft to the special session of the "Basic Provisions of the Convention on the Prohibition of the Development, Production and Stockpiling of Chemical Weapons and on their Elimination," as well as a memorandum on "Averting the Mounting Nuclear Threat and Curbing the Arms Race," summarizing the Soviet Union's most important specific proposals.

18--A group of Republican congressmen submitted a bill to the House of Representatives on the further curtailment of business contacts between the USSR and the United States. In particular, it would prohibit the crediting of commercial transactions between Soviet organizations and American companies by the federal government and would stop all types of commercial cooperation with the Soviet Union.

19, 20--Soviet Foreign Minister A. A. Gromyko and U.S. Secretary of State A. Haig met in New York and discussed fundamental aspects of Soviet-U.S. relations and the state of affairs in several parts of the world.

19--The U.S. President announced a decision to extend and considerably expand the ban imposed at the end of last year on shipments of equipment for oil and gas production to the Soviet Union. Whereas the ban previously applied only to the products of American firms, it now applies to equipment produced by branches of American companies abroad and by foreign companies operating on licenses issued by U.S. firms.

22--A. A. Gromyko held a press conference in New York and announced that the question of a meeting between L. I. Brezhnev and R. Reagan had been settled. He criticized the unrealistic U.S. stand on the limitation and reduction of strategic weapons.

24--In spite of opposition from the U.S. Administration, the House Committee on International Relations passed a resolution calling for a nuclear freeze, with 26 of its members voting for the resolution and 9 voting against it.

29--The Soviet-American talks on the limitation and reduction of strategic weapons began in Geneva with a meeting of the delegation heads. The USSR delegation is headed by V. P. Karpov and the U.S. delegation is headed by E. Rowny.

30--A plenary meeting of the Soviet and U.S. delegations to the Soviet-American talks on the limitation and reduction of strategic weapons was held.

July

1, 7--Plenary meetings of the Soviet and U.S. delegations to the Soviet-American talks on the limitation of nuclear weapons in Europe were held.

2, 6, 8--Plenary meetings of the Soviet and U.S. delegations to the Soviet-American talks on the limitation and reduction of strategic weapons were held in Geneva.

4--L. I. Brezhnev sent greetings to U.S. President R. Reagan on the American national holiday, Independence Day. President Reagan sent a telegram to L. I. Brezhnev on behalf of the American people to thank the chairman of the USSR Supreme Soviet Presidium for his goodwill message on the anniversary of American independence.

6--Addressing the Congress, D. Bonker, member of the House of Representatives, accused the Reagan Administration of making a "destabilizing and dangerous attempt to achieve military superiority" to the USSR by launching an unprecedented buildup of nuclear weapons.

8--According to a report in the Soviet press, a general agreement on the publication of Soviet books about music in the United States was signed in Moscow by the All-Union Copyright Agency and Paganiniana Publications. The document envisages the annual issuance of books by Soviet authors about the lives and works of outstanding Russian and Soviet composers, recordings of their works by renowned Soviet musicians and groups and videotapes of performances and concerts.

9--In connection with the sharp increase of tension in Lebanon, and particularly in its capital Beirut, L. I. Brezhnev asked the U.S. President to do everything within the United States' power to stop the bloodshed in Lebanon.

12--An article by Marshall of the Soviet Union D. F. Ustinov, member of the CPSU Central Committee Politburo and USSR Minister of Defense, was published in PRAVDA and contained a discussion of the military implications of the USSR pledge not to use nuclear weapons first.

13, 15--Plenary meetings of the Soviet and U.S. delegations to the talks on the limitation of nuclear weapons in Europe were held in Geneva.

13, 15, 20, 22, 27, 29--Plenary meetings of the Soviet and U.S. delegations to the talks on strategic arms limitation and reduction were held in Geneva.

15--Speaking at the Center for National Policy Review, former U.S. Secretary of State E. Muskie expressed great concern in connection with the Reagan Administration's policy of confrontation with the USSR.

16--PRAVDA published an article by Academician G. A. Arbatov, "American Policy in a Dream World," in which he criticized the Reagan Administration's foreign policy line.

17--Soviet Foreign Minister A. A. Gromyko sent a telegram to G. Schultz to congratulate him on his appointment as U.S. Secretary of State. In a wired reply, Schultz thanked A. A. Gromyko for congratulating him on his appointment as U.S. secretary of state and expressed his willingness to work toward the improvement of relations between the United States and the USSR.

18--According to a CBS poll, 45 percent of the Americans now have negative feelings about President Reagan's actions.

20--A plenary meeting of the Soviet and U.S. delegations to the talks on the limitation of nuclear weapons in Europe was held in Geneva. This ended the current round of talks. The resumption of the talks was scheduled for 30 September 1982.

21--The Soviet press published L. I. Brezhnev's replies to the questions of a PRAVDA correspondent, setting forth the constructive Soviet program for a settlement in Lebanon and in the Middle East in general. L. I. Brezhnev called upon Israel and the United States to carry out the UN Security Council decision on the cessation of aggression against Lebanon.

22--A PRAVDA editorial discussed the U.S. President's speech in Washington in connection with the declaration that the current week would be known as "captive nations week." The speech contained a blatant attempt to interfere in the internal affairs of the Soviet Union and other socialist countries and an overt appeal for the "subversion" of socialism in these countries from within.

27--Ronald Reagan sent the speaker of the U.S. House of Representatives a letter in which he expressed his definite opposition to the bipartisan resolution recently adopted by the House on a nuclear freeze. Reagan alleged that the freeze would perpetuate the "dangerous imbalance in nuclear business" between the United States and the USSR.

31--A resolution demanding that the administration submit the Soviet-U.S. treaties on the limitation of underground nuclear tests of 1974 and on underground nuclear explosions for peaceful purposes of 1976 for ratification as soon as possible was introduced in the Senate by 31 American senators. The senators also asked the head of the White House to reconsider his decision not to resume the talks with the USSR and Great Britain on a total and universal nuclear test ban.

August

3--L. I. Brezhnev sent Ronald Reagan a personal message in connection with the sharp increase of tension in Lebanon, asking the U.S. President to immediately make use of every opportunity to put an end to the extermination of people in Beirut.

3, 5, 10, 12--Plenary meetings of the Soviet and U.S. delegations to the talks on the limitation and reduction of strategic weapons were held in Geneva. A recess until 6 October 1982 was announced at the talks.

6--Employing the tactic of crude pressure and political blackmail, the Reagan Administration obtained the rejection of a resolution on a mutual freeze of U.S. and Soviet nuclear stockpiles, introduced by E. Kennedy and M. Hatfield, in the House of Representatives by a vote of 204 to 202.

8--Speaking at an American Bar Association convention in San Francisco, W. Clark, the U.S. President's national security adviser, admitted that the Reagan Administration's ban on shipments of equipment for the construction of the pipeline from Siberia to Western Europe "cost American industry hundreds of millions of dollars and caused friction in relations with U.S. allies." He also said that "the

embargo was instituted at the insistence of President Reagan against the wishes of the majority of cabinet members and members of the U.S. Congress."

11--The House Committee on International Relations approved a bill introduced by Congressmen P. Findley and D. Bonker for the cancellation of the discriminatory measures instituted by the White House against shipments of American equipment for the construction of the pipeline from Siberia to Western Europe.

13--One of the largest professional organizations in the United States, the American Bar Association, adopted a resolution calling for the elimination of the threat of nuclear war and "the cessation of actions and rhetoric which could lead to a nuclear conflict."

15--On the orders of the U.S. President, a strategic plan was drawn up in the Pentagon to secure the U.S. "potential to fight a protracted nuclear war against the Soviet Union."

20--The Soviet press published the reply of USSR Defense Minister and Member of the CPSU Central Committee Politburo D. F. Ustinov to the questions of a TASS correspondent, in which he presented the Soviet Union's views on disarmament and listed the specific steps taken by the USSR to advance the Soviet-American talks on the limitation of nuclear weapons in Europe. These statements cogently exposed the false rumors making the rounds of U.S. ruling circles about the "nuclear superiority" of the USSR, about the "inferiority" of the United States to the Soviet Union in the area of strategic weapons and about the Soviet Union's alleged attempts to disrupt the approximate balance of forces between the USSR and the United States and between the Warsaw Pact and NATO.

The White House decided to prohibit the discussion of Soviet views, however, by "recommending" that the editors of the major American newspapers not publish D. F. Ustinov's replies.

27--A group of senators and members of the U.S. House of Representatives addressed the White House with a resolute demand for the cessation of militaristic preparations and plans for nuclear war. A similar appeal was made by a group of prominent American experts on nuclear strategy.

31--Addressing a metal workers' union conference in New York, Senator E. Kennedy described the militaristic line of Reagan Administration foreign policy as a policy of "nuclear adventurism."

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